



A.Plus Group Holdings Limited

優越集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8251)

REMUNERATION COMMITTEE

TERMS OF REFERENCE

CONSTITUTION

1. The board of directors (the “**Board**”) of A.Plus Group Holdings Limited (the “**Company**”) has resolved to establish a Committee of the Board to be known as the Remuneration Committee (the “**Committee**”) at a meeting held on 23 March 2016.

MEMBERSHIP AND QUORUM

2. The Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members (the “**Members**”), a majority of whom should be independent non-executive directors of the Company (“**INEDs**”). A quorum shall be two Members.
3. The chairman of the Committee (the “**Chairman**”) shall be appointed by the Board and must be an INED.

SECRETARY

4. The company secretary of the Company, or in his absence, his representative, shall act as the secretary of the Committee (the “**Secretary**”). The Committee may from time to time appoint any other person with appropriate qualification and experience as Secretary.

ATTENDANCE OF MEETINGS

5. (a) The Committee may invite the chairman of the Company, any executive Directors, member of senior management or other individual to attend meetings of the Committee as it considers appropriate but such executive Directors, member of senior management or other individuals are not entitled to vote at the meetings.
- (b) The company secretary of the Company or his or her nominee shall be the Secretary.
- (c) No Director should be involved in and shall abstain from discussion in deciding the nomination of his associates.

PROCEEDINGS OF MEETINGS

6. (a) The meetings and proceedings of the Committee are governed by the provisions of the Articles of Association of the Company for regulating the meetings and proceedings of the Board, except for otherwise determined by the Board from time to time.
- (b) The quorum for meetings shall be two Members.
- (c) The Chairman, in consultation with the Director responsible for human resources function (“**Responsible Director**”) and the Secretary, should be primarily responsible for drawing up and approving the agenda for each Committee meeting. The Chairman, with the assistance of the Secretary, shall ensure that all Members shall receive sufficient information in a timely manner to enable effective discussion at the Committee meeting. The Chairman shall, with the assistance of the Responsible Director, brief all Members on issues arising at each Committee meeting.

FREQUENCY OF MEETINGS

7. Meetings shall be held not less than once a year. Members may also call any meetings at any time when necessary or desirable.

NOTICE OF MEETINGS

8. Notice of meetings shall be given to all Members at least two days before the meeting.

This notice may be waived from time to time upon the unanimous agreement by the Members.

CASTING VOTE

9. In the case of an equality of votes, the Chairman shall have the casting vote.

CONSULTATION

10. The Committee should consult the chairman and/or chief executive officer of the Company about their proposals relating to the remuneration of other executive directors of the Company, if any, and, at the expenses of the Company, have access to professional advice if considered necessary.

AUTHORITY

11. (a) The Committee is authorised by the Board to investigate any activity within its terms of reference and seek any necessary information which is within its scope of duties from the employees of the Company and its subsidiaries (including the members of the Board).
- (b) The authority of the Committee is derived from the Board, therefore the Committee is obliged to report to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions in doing so.
- (c) The Committee is and may, from time to time, seek advice from special personnel consulting groups so as to ensure that the Board remains informed of market trends and practices. The Committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants to advise its Members.

DUTIES

12. The duties of the Committee shall be:
- (a) to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;

- (b) to have the delegated responsibility to determine the specific remuneration packages of all executive directors of the Group and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive directors. The Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the group and desirability of performance-based remuneration;
- (c) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the board from time to time;
- (d) to review and approve the compensation payable to executive directors and senior management of the Group in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;
- (e) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
- (f) to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration and that, as regards the remuneration of a non-executive director who is a Member, his/her remuneration should be determined by the other Members;
- (g) to advise shareholders of the Company with respect to any service contracts of directors that require shareholders' approval under Rule 17.90 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**").
- (h) to make available the terms of reference, explaining the role of the Committee and the authority delegated to it by the Board by including them on the websites of the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited and the Company;
- (i) to ensure the Company disclose details of any remuneration payable to members of senior management by band in the annual reports of the Company; and

- (j) to do any such things to enable the Committee to perform its functions conferred on it by the Board.

For the purpose of this paragraph 12, “senior management” shall refer to the same category of persons as referred to in the Company’s annual report and is required to be disclosed under Appendix 15 of the GEM Listing Rules.

The Chairman or in the absence of the Chairman, another Member or failing this his duly appointed delegate, should be available to answer questions at the annual general meeting.

REPORTING PROCEDURES

- 13. (a) The Secretary or his representative shall circulate the minutes of meetings and reports of the Committee to all members of the Board for comments and records within a reasonable time after each meeting, subject to any legal or regulatory restrictions limiting the circulation or making of these reports.
- (b) The Chairman who chair the meetings or other Member who is authorised by the Chairman to chair the meetings shall report in the forthcoming regular Board meeting any key decisions made and shall table before the Board an index of meetings and issues discussed.

INTERPRETATION

- 14. Interpretation of these terms of reference shall belong to the Board.

(The English version shall always prevail in case of any inconsistency between the English version and its Chinese translation.)

Adopted on 23 March 2016