



**Telecom Digital Holdings Limited**  
**電訊數碼控股有限公司**  
*(incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8336)**

**Remuneration Committee - Terms of Reference (“Terms of Reference”)**

**I. Constitution**

1. The board (the “Board”) of directors of the Company (the “Directors”) has resolved to establish a committee of the Board to be known as the Remuneration Committee (the “Committee”) on 20 May 2014.

**II. Membership**

2. The members of the Committee shall be appointed by the Board from time to time from among the non-executive Directors and shall consist of not less than three members, a majority of whom shall be independent non-executive Directors. A quorum shall be two members.
3. The chairman of the Committee shall be an independent non-executive Director who is a member of the Committee appointed by the Board.
4. Each member shall disclose to the Committee:
  - (i) any personal financial interest (other than as a shareholder of the Company) in any matter to be decided by the Committee; or
  - (ii) any potential conflict of interest arising from a cross-directorship.

Any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions, and shall (if so required by the Board) resign from the Committee.

**III. Frequency of meetings**

5. The Committee shall meet at least once a year. Additional meetings should be held if the Committee shall so request.

**IV. Voting**

6. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the Chairman of the meeting who shall be the chairman of the Committee (or, in his/her absence, any one member of

the Committee who: (a) is an independent non-executive director; (b) is present thereat; and (c) is elected by the members present to chair the meeting) shall have a second or casting vote.

## **V. Resolutions in writing**

7. A resolution in writing signed by all of the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee. Any such resolution may be contained in a single document or may consist of several documents all in like form.

## **VI. Authority**

8. The Committee shall report directly to the Board and shall, where appropriate, consult the Chairman of the Company about their proposals relating to the remuneration of Directors and senior management.
9. The Committee is authorised by the Board to obtain outside legal or other independent professional advice to perform its duties and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
10. The Committee shall be provided with sufficient resources to perform its duties.

## **VII. Duties**

11. The duties of the Committee shall include the following aspects:
  - (a) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
  - (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
  - (c) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
  - (d) to make recommendations to the Board on the remuneration of non-executive Directors;
  - (e) to consider salaries paid by comparable companies, time commitment, responsibilities and employment conditions elsewhere in the group;
  - (f) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

- (g) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
- (h) to ensure that no Director or any of his associates is involved in deciding his own remuneration; and
- (i) to consult the Chairman and/or Chief Executive (where applicable) about their remuneration proposals for other Executive Directors.

### **VIII. Reporting procedures**

- 12. Without prejudice to the generality of the foregoing, the Committee shall report back to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements). The reporting shall be done by the chairman of the Committee or any such other person designated by the Committee.
- 13. The company secretary of the Company (the “Company Secretary”) shall be the secretary of the Committee, and, in the absence of the Company Secretary, any such other person as may from time to time be nominated by the Company Secretary, subject to the approval of the Committee, shall act as secretary of the Committee.
- 14. The secretary shall circulate (i) the draft and final versions of the minutes of the meetings to all Committee members for their comment and records respectively within a reasonable time after the meetings; and (ii) the minutes of the meetings and reports of the Committee to all members of the Board.

### **XI. Publication of these Terms of Reference**

- 15. A copy of these Terms of Reference will be made available to any person without charge upon request and these Terms of Reference will be posted on the websites of the Company and The Stock Exchange of Hong Kong Limited.

May 2014