



# 嘉里建設有限公司

KERRY PROPERTIES LIMITED

*(Incorporated in Bermuda with limited liability)*

## Remuneration Committee Terms of Reference

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### 1. Preamble

- 1.1 Kerry Properties Limited (the “**Company**”) was incorporated in Bermuda on 2 January 1996. Its shares were listed on The Stock Exchange of Hong Kong Limited (“**HKEX**”) on 5 August 1996.
- 1.2 The Company has established a remuneration committee (the “**Remuneration Committee**”) and adopted the terms of reference as set out herein in compliance with the requirements of the Rules Governing the Listing of Securities on HKEX (the “**Listing Rules**”) and the code provisions of the Corporate Governance Code (the “**CG Code**”) issued by HKEX.
- 1.3 The board of directors of the Company (the “**Board**”) is responsible for establishing the Remuneration Committee with specific written terms of reference which deal clearly with the Remuneration Committee’s authorities and duties.
- 1.4 The Board will receive and consider the reports and recommendations from the Remuneration Committee for approval.

### 2. Duties and Authorities

- 2.1 The Remuneration Committee has the responsibility of:-
  - 2.1.1 making recommendations to the Board on the Company’s policy and structure for the remuneration of all directors (the “**Directors**”) and senior management (“**Senior Management**”) of the Company and on the establishment of a formal and transparent procedure for developing remuneration policy;
  - 2.1.2 reviewing and approving the Senior Management’s remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time;

- 2.1.3 determining, with delegated responsibility, the remuneration packages of individual executive Directors of the Company (the “**Executive Directors**”) 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, or making recommendations to the Board on the remuneration packages of individual Executive Directors and Senior Management. In making its decisions or recommendations, the Remuneration Committee shall take into consideration the management’s report and any other factors which the Remuneration Committee deems appropriate;
  - 2.1.4 making recommendations to the Board on the remuneration of non-executive Directors;
  - 2.1.5 considering salaries paid by comparable companies in the market, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries (the “**Group**”);
  - 2.1.6 reviewing and approving 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 for the Company;
  - 2.1.7 considering the Senior Management’s recommendation for the Company’s share option scheme with respect to the Directors and Senior Management and making determinations with respect to grant guidelines, vesting periods, option periods and rights to exercise, and, subject to confirmation by the Board, individual grants;
  - 2.1.8 reviewing and approving 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;
  - 2.1.9 ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration; and
  - 2.1.10 advising shareholders of the Company on how to vote with respect to any service contracts of the Directors that require shareholders’ approval under the Listing Rules.
- 2.2 The Remuneration Committee shall consult the Chairman and/or the Chief Executive Officer of the Company about their remuneration proposals for other Executive Directors.
  - 2.3 The Remuneration Committee shall be provided with sufficient resources to perform its duties and where necessary, it shall seek independent professional advice, at the Company’s expense, to perform its responsibilities.
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### **3. Membership**

- 3.1 The members of the Remuneration Committee are appointed by the Board and shall be made up of at least two members.
- 3.2 The term of office of each member of the Remuneration Committee will be determined by the Board.
- 3.3 The majority of the Remuneration Committee members must be independent non-executive Directors.
- 3.4 The Remuneration Committee is to be chaired by an independent non-executive Director or, in his/her absence, a committee member who is also an independent non-executive Director.
- 3.5 The members of the Remuneration Committee shall be listed in the Company's annual report to shareholders.
- 3.6 When the compensation package of an individual Executive Director is under review, he/she will abstain from voting.

### **4. Secretary**

- 4.1 The secretary of the Remuneration Committee will be the Chief Financial Officer of the Company or any other officer nominated by the chairman of the Remuneration Committee and duly authorised by the Remuneration Committee.

### **5. Meetings**

- 5.1 The Remuneration Committee shall meet at least once a year. The chairman of the Remuneration Committee, in consultation with the Remuneration Committee members, will determine the frequency of the meetings of the Remuneration Committee. Meetings may be held in person, by telephone or by video conference.
- 5.2 Prior to a meeting of the Remuneration Committee convened to propose the specific remuneration packages of Executive Directors and Senior Management, or to make recommendations to the Board on the remuneration of non-executive Directors, the Senior Management shall set out, among other things, the Senior Management's views of the Company's performance, individual Director's performance, salaries paid by comparable companies in the market, time commitment and responsibilities and employment conditions elsewhere in the Group, for the Remuneration Committee's consideration.
- 5.3 The secretary of the Remuneration Committee, in consultation with the appropriate members of management, will develop the Remuneration Committee's agenda.

- 5.4 The Remuneration Committee will issue an agenda of subjects to be discussed for each meeting. Any Remuneration Committee member shall be entitled, by notice to the secretary of the Remuneration Committee, to include other matters relevant to the Remuneration Committee in the agenda of a Remuneration Committee meeting.
- 5.5 Minutes of the meeting of the Remuneration Committee will be prepared by the secretary of the Remuneration Committee or any other officer duly authorised by the Remuneration Committee.
- 5.6 The quorum necessary for the transaction of business shall be two Remuneration Committee members, of which both of them shall be independent non-executive Directors.
- 5.7 Other than as set out in these terms of reference, the Remuneration Committee shall adopt such procedures and principles as it sees fit in relation to the proceedings of the Remuneration Committee.

## **6. Reporting Procedures**

- 6.1 The details of any remuneration payable to members of Senior Management by band and other remuneration related matters shall be disclosed in the Company's annual report to shareholders.
- 6.2 The Remuneration Committee shall report to the Board on its decisions or recommendations after having discussed all matters within its duties on each meeting.
- 6.3 The Remuneration Committee shall compile a report to shareholders on its role and activities to be included in the Company's annual report to shareholders.
- 6.4 The chairman of the Remuneration Committee, or failing him/her, any member of the Remuneration Committee shall attend the annual general meetings of the Company and answer questions on the Remuneration Committee's activities and responsibilities.
- 6.5 The Company Secretary of the Company shall be responsible for making available the terms of reference of the Remuneration Committee, explaining the Remuneration Committee's role and the authorities delegated to the Remuneration Committee by the Board, by including such terms of reference on HKEX's website and the Company's website.

## **7. Amendment**

- 7.1 Any amendment to these terms of reference shall be authorised by the Board.