



MOBICON GROUP LIMITED

萬利剛集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1213)

(the “Company”)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

Constitution

1. The Company’s remuneration committee (the “**Remuneration Committee**”) was established pursuant to a resolution passed by the board of directors (the “**Directors**”) of the Company (the “**Board**”) on 20 February 2006 and its terms of reference were amended and adopted by the Board pursuant to a resolution passed by the Board at a meeting held on 28 March 2012.

Objective

2. The Remuneration Committee is to assist the Board to oversee the remuneration packages of the Company and its subsidiaries (collectively, the “**Group**”) payable to their directors and the members of their senior management.
3. The Remuneration Committee is to determine the specific remuneration packages of all executive Directors and senior management of the Company and to establish a transparent procedure for developing policy on such remuneration.

Membership

4. The members of the Remuneration Committee shall be appointed by the Board from amongst the non-executive Directors of the Company and shall consist of not less than three members, at least one of whom is an independent non-executive Director of the Company and shall have an understanding of remuneration policies and practices.
5. The majority of the members of the Remuneration Committee shall be independent non-executive Directors of the Company.

* For identification purposes only

6. The chairman of the Remuneration Committee (the “**Chairman**”) shall be appointed by the Board and shall be an independent non-executive Director of the Company.
7. The Administration Manager shall act as the secretary of the Remuneration Committee (the “**Secretary**”).

Proceedings

8. Frequency of meetings

The Remuneration Committee will meet as and when required to discharge its responsibilities, but not less than once annually. Meetings of the Remuneration Committee should be called as soon as practicable when there is a proposed change in the terms of remuneration of directors or senior management of the Group or their appointment or resignation.

9. Arrangement for and notices of meetings

- (a) All meetings of the Remuneration Committee will be called by the Secretary or the Chairman or any persons as instructed by the Chairman, or at the request of the Board.
- (b) Notices of at least 14 days shall be given to all members of the Remuneration Committee for regular meetings of the Remuneration Committee. For other meetings, reasonable notices shall be given.
- (c) If any member of the Remuneration Committee wishes to include any matter in the agenda for a particular regular meeting of the Remuneration Committee after the issue of the notice of such meeting, he or she may notify the Secretary the proposed matter(s) in writing within seven days after the notice of the regular meeting is given.

10. Quorum and voting

The quorum of the Remuneration Committee’s meeting shall be two members, at least one of whom shall be an independent non-executive Director. Questions arising at any Remuneration Committee’s meeting shall be decided by a majority of votes.

11. Attendance at meetings

- (a) Members of the Remuneration Committee may participate in any meetings of the Remuneration Committee either in person or by means of a conference telephone or similar communications by which all persons participating in the meeting can hear each other.
- (b) The Remuneration Committee may invite any executive Director and/or any other person(s) to attend part or the whole of its meetings as it may at its absolute discretion think as necessary. Other Board members shall also have the right to attend (but shall have no right to vote at) any of the Remuneration Committee's meetings. However, no Directors or senior management of any member of the Group or any of their respective associates may attend that part of the Remuneration Committee's meeting at which any matters relating to his or her or their remuneration will be discussed and/or decided.

12. Access to services of the company secretary

The Remuneration Committee shall be provided with sufficient resources to perform its duties. Members of the Remuneration Committee shall have access to the advice and services of the company secretary of the Company to ensure that Remuneration Committee procedures and all applicable rules and regulations are followed.

Authority

13. The Remuneration Committee is authorised by the Board:-

- (a) to be supported by the Administration Department of the Company and to obtain any information it requires from any employee(s) of the Company;
- (b) to obtain or retain outside legal or other professional advice at the Company's expenses as appropriate; and
- (c) to be provided with sufficient resources to discharge its duties.

Duties

14. The duties of the Remuneration Committee shall be:

- (a) to make recommendations to the Board on the Company's policy and structure for the remuneration of all directors and senior management of the Group, 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 decide, with consultation with the chairman of the Board, where to position the Company relative to others in terms of remuneration level and Board composition. To meet this end, the Remuneration Committee is required to be cognizant of the current situation in respect of comparable companies in the area of directors' remuneration, using an external remuneration consultant as is necessary;
- (d) 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);
- (e) to make recommendations to the Board on the remuneration of the non-executive Directors of the Company;
- (f) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (g) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment, to ensure that they consistent with contractual terms, and are otherwise fair and not excessive for the Company;
- (h) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with the contractual terms and are otherwise reasonable appropriate;
- (i) to ensure that no Director or any of his associates is involved in deciding his own remuneration;
- (j) to prepare appropriate disclosure concerning the Remuneration Committee to be included in the Corporation Governance Report in the Company's annual reports, to at least meet the level of disclosure set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time); and

- (k) to ensure that the Remuneration Committee's terms of reference are made available to the shareholders of the Company and other interested parties, through being posted on the websites of The Stock Exchange of Hong Kong Limited and the Company and being made available on request from the Secretary.

Resolutions in writing and minutes of meetings

- 15. Resolutions of the Remuneration Committee shall be passed by a majority of votes which can also be passed by way of unanimous written resolutions.
- 16. The minutes of meetings of the Remuneration Committee shall be kept by the Secretary.
- 17. Draft and final versions of each minutes of the Remuneration Committee's meeting shall be sent to all Remuneration Committee members for their comments and records respectively within a reasonable time after the meeting was held. Minutes of meetings of the Remuneration Committee are open for inspection by any Director of the Company at the principal place of business of the Company at any reasonable time after a reasonable prior notice has been served on the Secretary.

Reporting procedures

- 18. The Chairman shall report formally to the Board on the Remuneration Committee's proceedings after each meeting on all matters within its duties and responsibilities.
- 19. The Remuneration Committee shall make whatever recommendations to the Board as it may deem appropriate on any area within its duties and responsibilities where action or improvement is needed.