

SUMMIT ASCENT HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)
(Stock Code: 102)

Terms of Reference of the Remuneration Committee

1. Constitution

- 1.1 The Board of Directors (the “**Board**”) of the Company has established a Committee of the Board known as the Remuneration Committee pursuant to Clause 120 of the Bye-laws of the Company.

2. Membership

- 2.1 The Remuneration Committee shall consist of a minimum of two Directors, a majority of whom shall be Independent Non-executive Directors. A quorum shall be two members.
- 2.2 The Chairman of the Remuneration Committee shall be appointed by the Board and shall be an Independent Non-executive Director.

3. Duties

The Remuneration Committee is established with the following duties:

- 3.1 to conduct regular review of the Company’s remuneration policy and procedures regarding Directors’ compensation;
- 3.2 to ensure a formal and transparent procedure for developing policy on such remuneration;
- 3.3 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 remuneration policy;
- 3.4 to review and approve the Management’s remuneration proposals with reference to the Board’s corporate goals and objectives;
- 3.5 either: (i) to determine, with delegated responsibility, the remuneration packages of individual Executive Directors and Senior Management; or (ii) 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;
- 3.6 to make recommendations to the Board on the remuneration of Non-executive Directors;
 - 3.7 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
 - 3.8 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;
 - 3.9 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 and appropriate;
 - 3.10 to ensure that no Director or any of his associates is involved in deciding his own remuneration;
 - 3.11 to make available the terms of reference of the Remuneration Committee, explaining the Remuneration Committee's role and authority delegated to it by the Board, by including them on The Stock Exchange of Hong Kong Limited's website and the Company's website;
 - 3.12 to exercise such other powers, authorities and discretions, and perform such other duties, of the Directors in relation to the remuneration of the Executive Directors and Senior Management as the Directors may from time to time delegate to it, having regard to the Code of Corporate Governance Practices (the "**Code**") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"); and
 - 3.13 in exercising its power, authorities and discretions and performing its duties, the Remuneration Committee shall take full account of the Code and the Listing Rules.

4. Reporting Responsibilities

- 4.1 The Remuneration Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 4.2 The Remuneration Committee shall make whatever recommendations to the Board it deems appropriate on any area within its ambit where action or improvement is needed.

4.3 The secretary shall circulate the minutes of meetings and reports of the Remuneration Committee to all members of the Board.

5. Others

5.1 The Remuneration Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

6. Authority

6.1 The Remuneration Committee is authorised by the Board to seek any information it requires from any employee of the company in order to perform its duties.

6.2 In connection with its duties, the Remuneration Committee is authorised by the Board to obtain, at the company's expense, any outside legal or other independent professional advice.

7. Resources

7.1 The Remuneration Committee will be provided with sufficient resources to perform its duties.

Note: For the purpose of these terms of reference, the term "Senior Management" refers to the same persons as are referred to in the Company's annual report and required to be disclosed under paragraph 12 of Appendix 16 to the Listing Rules.

Revised on 22 March 2012