

GRAND BRILLIANCE GROUP HOLDINGS LIMITED

君百延集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

REMUNERATION COMMITTEE

TERMS OF REFERENCE

CONSTITUTION

1. The Board of directors (the “**Board**”) of Grand Brilliance 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 1 March 2018.

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, a majority of whom should be independent non-executive directors of the Company (the “**INEDs**”). A quorum shall be two members.
3. The chairman of the Committee shall be an INED, appointed by the Board.

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.

FREQUENCY OF MEETINGS

5. Meetings shall be held not less than once a year. The Committee members may also call any meetings at any time when necessary or desirable.

NOTICE OF MEETINGS

6. Notice of meetings shall be given to all members of the Committee at least two days before the meeting.

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

CASTING VOTE

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

CONSULTATION

8. 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. The Committee shall, at the expenses of the Company, have access to independent professional advice if considered necessary.

AUTHORITY

9. 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).
10. The Committee should be provided with sufficient resources to perform its duties.

DUTIES

11. The duties of the Committee shall be:
 - (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) 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;

- (d) to make recommendations to the Board on the remuneration of non-executive directors;
- (e) to consider salaries paid by comparable companies, time commitment and 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.

For the purpose of paragraph 11 and paragraph 14, “**senior management**” shall refer to the same persons referred to in the Company’s annual report and required to be disclosed under rule 18.39 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

REPORTING PROCEDURES AND DISCLOSURE

- 12. The Secretary or his representative shall circulate the minutes of meetings and reports of the Committee to all members of the Board.
- 13. The Secretary shall keep all approved minutes of meetings and reports as part of Company records.
- 14. Details of any remuneration payable to members of senior management should be disclosed by band in the annual reports of the Company.

Adopted on 1 March 2018