

**YANLORD LAND GROUP LIMITED**  
**(the “Company”)**

**REMUNERATION COMMITTEE**  
**TERMS OF REFERENCE**

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**COMPOSITION:-** The Remuneration Committee shall comprise at least three (3) directors. All members of the Remuneration Committee are non-executive directors, the majority of whom, including the chairman, shall be independent to minimise conflicts of interest. The chairman shall be elected by a majority vote of the members of the Remuneration Committee and shall be an independent non-executive director.

**ROLE:-** The Remuneration Committee will recommend to the board of directors (“Board”) a framework of remuneration for the Board and key management personnel and specific remuneration packages for each director and key management personnel. The recommendations of the Remuneration Committee will be submitted for endorsement by the entire Board. The Remuneration Committee considers all aspects of remuneration (including directors’ fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination terms) and should aim to be fair and avoid rewarding poor performance. Each member of the Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package or that of employees related to him.

**TERMS OF REFERENCE**

**1. CESSATION OF MEMBERSHIP**

If a member of the Remuneration Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below 3, the Board shall, in any case not later than 3 months, appoint a new member as may be required to make up the minimum number of 3 members.

**2. ADMINISTRATION**

**2.1 Meetings**

- (i) The meetings of the Remuneration Committee (each, a “Meeting”) may be conducted by means of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means and the minutes of such a Meeting signed by the chairman shall be conclusive of any Meeting conducted as aforesaid.
- (ii) A Meeting shall be held at least once a year. Additional Meetings may also be held by the Remuneration Committee to discuss other issues which the Remuneration Committee considers necessary. In the event that an emergency meeting is required, such a meeting may be carried out via telephone conference or other methods of simultaneous communication by electronic or telegraphic means.
- (iii) The Remuneration Committee shall have full discretion with regard to the calling of any Meeting and the proceedings thereat and may invite any director or executive officer to any Meeting.
- (iv) The minutes shall be provided to all Members and confirmed by the chairman. Any minutes signed by the chairman of the Meeting to which they relate or of the Meeting at which they are read, shall be sufficient evidence without any further proof of the facts stated therein.

## **2.2 Notice**

The notice of each Meeting, confirming the venue, time and date and enclosing an agenda of items to be discussed at such Meeting, shall, other than under exceptional circumstances, be forwarded to each Member at least seven (7) days prior to the date of such Meeting (or such shorter notice as may be agreed by the Remuneration Committee).

## **2.3 Quorum**

The quorum for any Meeting shall be two (2) Members.

## **2.4 Chairman of meeting**

If, at any Meeting, the Remuneration Committee chairman is not present within 15 minutes after the time appointed for holding the Meeting, the members present may choose one of the other independent members to be the chairman of the Meeting.

## **2.5 Voting**

Each member present whether in person or otherwise shall have one vote. All resolutions passed in the Meeting shall be by majority votes. If the votes for and against a resolution are equal, the chairman of the Remuneration Committee shall have a casting vote. No member shall vote in respect of matters in which he is interested.

## **2.6 Written resolutions**

Any resolution in writing signed by a majority of the members of the Remuneration Committee shall be as valid and effectual as if it had been passed at a Meeting of the Remuneration Committee duly convened and held.

## **2.7 Secretary**

The Company Secretary or his/her nominee shall act as the Secretary of the Remuneration Committee.

## **3. DUTIES AND RESPONSIBILITIES**

The Remuneration Committee shall perform the following functions:-

- (i) The Remuneration Committee shall review and recommend to the Board, a framework of remuneration packages for the Board and key management personnel and the specific remuneration packages for each director as well as for the key management personnel.
- (ii) The Remuneration Committee's recommendations will be submitted for endorsement by the Board.
- (iii) The Remuneration Committee considers all aspects of remuneration (including the directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination terms) and ensure that the remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.
- (iv) In setting remuneration packages, the Remuneration Committee shall ensure the level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

- (v) The Remuneration Committee shall ensure the remuneration packages are structured so as to link rewards to the Company's relative performance and the individual's performance. The performance-related elements of remuneration should form a significant proportion of the total remuneration package of executive directors and should take into account the risk policies of the Company, be symmetric with risk outcomes and be sensitive to the time horizon of risks. There should be appropriate and meaningful measures for the purpose of assessing executive directors' and key management personnel's performance.
- (vi) The Remuneration Committee shall ensure the remuneration of non-executive directors, which is subject to the approval of the shareholders at the annual general meeting, is appropriate to the level of contribution, taking into account factors such as effort, time spent and responsibilities of the directors. The Remuneration Committee acknowledged that implementing schemes to encourage non-executive directors to hold shares in the Company may align the interests of such non-executive directors with the interests of shareholders, and shall consider to implement such scheme(s) as and when appropriate. The Remuneration Committee further acknowledged that non-executive directors should not be over-compensated to the extent that their independence may be compromised.
- (vii) In the case of service contracts (if any), the Remuneration Committee noted that the Company may make use of contractual provisions to allow it to reclaim incentive components of remuneration from executive directors and key management personnel in exceptional circumstances, including for example, misstatement of financial results or misconduct resulting in financial loss to the Company, and shall consider to include such contractual provisions as and when necessary.
- (viii) Long-term incentive schemes, including share schemes, are generally encouraged for executive directors and key management personnel. The Remuneration Committee shall consider whether directors should be eligible for benefits under long-term incentive schemes. The use of share schemes, including share option schemes, should be weighed against other kinds of long-term incentive scheme including the costs and benefits of such schemes. In normal circumstances, offers of shares of granting of options or other forms of deferred remuneration should vest over a period of time. The use of vesting schedules, whereby only a portion of the benefits can be exercised each year, is also strongly encouraged. Executive directors and key management personnel should be encouraged to hold their shares beyond the vesting period, subject to the need to finance any costs of acquiring the shares and associated tax liability.
- (ix) The Remuneration Committee also reviews the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

#### **4. EXPERT ADVICE**

- 4.1 The Remuneration Committee in carrying out its tasks under these terms of reference may obtain such external consultant or other independent professional advice as it considers necessary to carry out its duties.
- 4.2 The decision to obtain such external consultant or other independent professional advice shall be made by a majority vote of the Remuneration Committee. The Remuneration Committee shall not be bound by any recommendation made by non-Members pursuant to seeking external consultant or other independent professional advice but shall at all times exercise its own judgment and discretion in the performance of its duties.
- 4.3 Any decision by the Remuneration Committee to obtain such external consultant or other independent professional advice shall be reviewed at any time by the Board who may choose at any time to confirm, reject or vary any such decision by the Remuneration Committee.

4.4 The Board will ensure that the Remuneration Committee, should the Remuneration Committee so desire, will have access to both internal and external professional advice in order for it to perform its duties. This shall be subject to 4.3 above.

**5. BOARD DISCRETION**

5.1 The Board shall have the discretion and authority to accept, reject or vary any recommendation made by the Remuneration Committee. The decision of the Board relating to any recommendation made by the Remuneration Committee shall be final and binding.

**6. GENERAL**

6.1 These terms of reference may from time to time be amended as required by majority vote of the Remuneration Committee subject to the approval of the Board.