

**GIORDANO**  
**GIORDANO INTERNATIONAL LIMITED**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 709)**

**REMUNERATION COMMITTEE**  
**TERMS OF REFERENCE**  
(Updated on November 10, 2016)

**(1) CONSTITUTION**

1.1 The board of directors of the Company (the “**Board**”) resolved to establish a committee of the Board known as the Remuneration Committee (the “**Committee**”).

**(2) MEMBERSHIP**

2.1 All members of the Committee (the “**Members**”) shall be appointed and/or removed by the Board from time to time. The majority of the Members shall be independent non-executive directors.

2.2 The Chairman of the Committee shall be appointed by the Board and should be an independent non-executive director.

**(3) AUTHORITY**

3.1 The Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorized to seek information it requires from any employee of the Company in order to perform its duties.

3.2 The Committee is authorized by the Board to obtain, at the Company’s expense, any outside legal or other independent professional advice.

3.3 The Committee shall be provided with sufficient resources to perform its duties.

**(4) DUTIES**

4.1 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) to determine, with delegated responsibility, 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 (i.e. the Company and its subsidiaries);
- (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.
- 4.2 Senior management should refer to the same category of persons as referred to the Company's annual report and is required to be disclosed under paragraph 12 of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") or relevant provisions as amended and/or implemented by the Stock Exchange from time to time.

**(5) MEETINGS**

- 5.1 The quorum for meetings of the Committee shall be any two Members thereof and one of whom must be an independent non-executive director.
- 5.2 The meetings and proceedings of the Committee shall be governed by the provisions contained in the Bye-Laws of the Company regulating the meetings and proceedings of the Board so far as the same are applicable and not superseded by regulations imposed by the Board.
- 5.3 The Committee shall keep minutes of its proceedings and shall cause the minutes to be recorded by the secretary of the Committee, who needs not be a member of the Committee. Unless otherwise determined, the secretary of the Committee shall be the Company Secretary (or his/her nominee).

**(6) REPORTING**

- 6.1 The Committee shall report its findings and recommendations to the Board on a regular basis. At the next Board meeting following a Committee's meeting, the Committee's Chairman shall report the Committee's findings and recommendations to the Board.