

# **AEON STORES (HONG KONG) CO., LIMITED**

永旺（香港）百貨有限公司

(the “Company”)

(Stock Code: 984)

## **TERMS OF REFERENCE AND OPERATION OF REMUNERATION COMMITTEE**

### **Membership**

1. The Remuneration Committee (the “Committee”) shall consist of at least three members and a majority of the members shall be independent non-executive directors appointed by the board of directors (the “Board”) of the Company from time to time.
2. The chairman of the Committee shall be an independent non-executive director appointed by the Board.

### **Frequency and proceedings of meetings**

3. The Committee shall meet at least once annually.
4. The quorum of a meeting shall be two members of the Committee present in person.
5. Proceedings of meetings of the Committee shall be governed by the provisions of Article 120 of the Articles of Association of the Company.
6. The Company Secretary or in his absence, his delegate shall act as the secretary of the Committee meetings.

### **Authority and Duties**

7. The Committee shall:
  - (a) 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) review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives;
  - (c) 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) make recommendations to the Board on the remuneration of non-executive directors;
- (e) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (f) 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) 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;
- (h) ensure that no director or any of his associates is involved in deciding his own remuneration;
- (i) consult the chairman and/or chief executive about their remuneration proposals for other executive directors;
- (j) have access to independent professional advice if necessary; and
- (k) be provided with sufficient resources to perform its duties.

13 January 2012