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## **CULTURECOM HOLDINGS LIMITED**

**文化傳信集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 343)

(Warrant Code: 824)

### **TERMS OF REFERENCE FOR REMUNERATION COMMITTEE (THE “COMMITTEE”)**

#### **Membership**

1. The Committee shall consist of three Directors, a majority of whom shall be independent non-executive Directors appointed by the Board of Directors (the “Board”) from time to time.
2. The Chairman of the Committee shall be appointed by the Board and should be an independent non-executive Director. The Chairman of the Committee shall attend all Annual General Meeting of the Company to respond to any shareholder’s questions on the Committee’s activities.
3. The Company Secretary shall be the secretary of the Committee.

#### **Frequency and Proceedings of Meeting**

4. Meetings shall be held not less than once a year. Additional meetings should be held as the works of the Committee demands.
5. The Committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants to advise its members.
6. The quorum for a meeting shall be two members.
7. Proceedings of meetings of the Committee shall be governed by the provisions of the Bye-Law 138 of the Company’s Bye-Laws.

## **Duties, powers and functions**

8. The Committee shall –

- (a) formulate remuneration policy for approval by the Board, which shall take into consideration factors such as salaries paid by comparable companies, employment conditions, and responsibilities, and individual performance of the directors and senior management. Performance shall be measured against corporate goals and objectives resolved by the Board from time to time; and implement the remuneration policy laid down by the Board;

Note: Senior management shall include the Chief Operating Officer, Deputy Chief Executive Officer of the Company and the directors of the subsidiaries of the group.

(b) without prejudice to the generality of the foregoing:

- (i) 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 transparency procedure for developing policy on such remuneration whilst ensuring no director or any of his associates is involved in deciding his own remuneration;
- (ii) to determine the remuneration package of all executive Directors (including the Chief Executive who is an ex-officio member) and senior management, including benefits in kind, pension right, compensation payment (including compensation for loss of office or appointment etc), and make recommendations to the board of the remuneration of non-executive Directors;
- (iii) to review and approve remuneration package by reference to corporate goals and objectives resolved by the board from time to time;
- (iv) to review and approve the compensation arrangements to all executive Directors and senior management in connection with any loss or termination of their office or appointment, or dismissal or removal for misconduct to executive directors and senior management which shall be fair and not excessive;
- (v) to consider the annual performance bonus for Executive Directors and senior management, having regard to their achievements against the performance criteria and by reference to market norms, and make recommendation to the Board;
- (vi) to engage such external professional advisors to assist and/or advise the Committee on issues as it considers necessary;
- (vii) to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation.

## **Reporting Procedures**

9. The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report the findings and recommendations of the Committee to the Board.
10. Where the board resolves to approve any remuneration or compensation arrangements which the remuneration committee has previously resolved not to approve, the board must disclose the reasons for its resolution in its next annual report.

By the order of Board  
**Culturecom Holdings Limited**  
Chu Bong Foo  
*Chairman*

Hong Kong, 29 March 2012

*As at the date of this announcement, the Board comprises of Mr. Kwan Kin Chung, Ms. Chow Lai Wah Livia (being the Vice-chairman), Mr. Chung Billy, Mr. Wan Xiaolin, Mr. Tang U Fai, Mr. Tang Kwing Chuen Kenneth and Mr. Chen Man Lung (all being executive Directors); Mr. Chu Bong Foo (being the Chairman and non-executive Director) and Mr. Tsang Wai Wa, Mr. Joseph Lee Chennault and Mr. Lai Qiang (all being independent non-executive Directors).*

*\*for identification purpose only*