



中國包裝集團有限公司  
China Packaging Group Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 572)

## **TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE**

**China Packaging Group Company Limited**  
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**Terms of Reference for Remuneration Committee**

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*Constitution*

1. The board of directors (the “**Board**”) of China Packaging Group Company Limited (the “**Company**”) resolved to establish a remuneration committee of the Board (the “**Remuneration Committee**”) on 1 November 2011. The constitution of the Remuneration Committee shall comply with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) from time to time.

*Membership*

2. The members of Remuneration Committee shall be appointed by the Board and shall consist of not less than three members, a majority of whom should be independent non-executive directors. A quorum shall be two members, one of whom shall be an independent non-executive director.
3. The chairman of the Remuneration Committee shall be appointed by the Board.

*Attendance at meetings*

4. The company secretary shall be the secretary of the Remuneration Committee. The secretary of the Remuneration Committee or in his absence, his representative or any one member, shall be the secretary of the meetings of the Remuneration Committee.
5. Members of the Remuneration Committee may attend meetings of the Remuneration Committee either in person or through other electronic means of communication.
6. Resolutions of the Remuneration Committee at any meeting shall be passed by a majority of votes of members if more than two members are present and by a unanimous vote if only two members are present.

*Frequency of meetings*

7. Meetings shall be held at least once a year.

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*Authority*

8. The Remuneration Committee is authorized by the Board to seek such further information from the management of the Company as it may require in order to enable it to discharge its duties.
9. The Remuneration Committee is authorized by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it consider this necessary.

*Duties*

10. The duties of the Remuneration Committee shall be :
  - (a) to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management<sup>Note</sup> and on the establishment of a formal and transparent procedure for developing such policy;
  - (b) to have the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management<sup>Note</sup>, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive directors. The Remuneration Committee shall consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the group and desirability of performance-based remuneration;
  - (c) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
  - (d) to review and approve the compensation payable to executive directors and senior management<sup>Note</sup> in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;

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- (e) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
- (f) to ensure that no director or any of his associates is involved in deciding his own remuneration; and
- (g) to advise shareholders on how to vote with respect to any service contracts of directors that require shareholders' approval under Rule 13.68 of the Listing Rules.

#### ***Reporting procedures***

11. Draft and final versions of the minutes of the Remuneration Committee meetings shall be sent to all Remuneration Committee members for their comments and records respectively. The secretary or his representative shall circulate the minutes of meetings and reports of the Remuneration Committee to all members of the Board.

#### ***Publication of the terms of reference of the Remuneration Committee***

12. The terms of reference of the Remuneration Committee will be posted on the website of the Company, and will be made available upon request.

#### ***Others***

13. The chairman of the Remuneration Committee or in his absence, another member of the Remuneration Committee or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to questions at the annual general meeting on the Remuneration Committee's activities and their responsibilities.
14. The Remuneration Committee should be provided with sufficient resources to discharge its duties.

*Note: "Senior management" shall refer to the same category of persons as referred to in the Company's annual report and is required to be disclosed under paragraph 12 of Appendix 16 to the Listing Rules.*