

# **INTERNATIONAL ENTERTAINMENT CORPORATION**

**國際娛樂有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01009)**

**(the “Company”)**

## **TERMS OF REFERENCE – REMUNERATION COMMITTEE**

### **1. CONSTITUTION**

The board of directors of the Company (the “Board”) had resolved to establish a committee of the Board to be known as the remuneration committee (the “Committee”).

### **2. MEMBERSHIP**

2.1 The members of the Committee (the “Members”) shall be appointed by the Board. The Committee shall consist of not less than three Members, a majority of whom should be the independent non-executive directors of the Company (the “INED”).

2.2 The chairman of the Committee shall be appointed by the Board and must be an INED.

### **3. SECRETARY**

The secretary of the Company shall be the secretary of the Committee (the “Secretary”).

### **4. ATTENDANCE AT THE MEETING**

4.1 The Committee may invite other persons to attend meetings if considered necessary.

4.2 Only Members are entitled to vote at the meetings.

### **5. MEETINGS**

5.1 The Committee shall meet at least once a year. Meeting may be convened by any Members or by the Secretary at the request of a Member. Meetings may be held in person or by telephone.

5.2 Unless otherwise agreed by all the Members, a meeting of the Committee shall be called by at least seven (7) days’ notice. Notice may be given in writing or by telephone or by facsimile or electronic transmission or other similar means or in such other manner as the Committee may from time to time determine.

- 5.3 The quorum of the Committee meeting shall be two Members present in person or by telephone.
- 5.4 Full minutes of the Committee meetings shall be kept by the Secretary. Draft versions of the minutes of the Committee meetings shall be sent to all Members for their comment as soon as reasonably practicable. Final version of the minutes shall be prepared and sent to all Members and the Board for records within a reasonable time after the meeting.
- 5.5 Resolutions of the Committee at any meeting shall be passed by a simple majority of votes of the Members present in person or by telephone. A resolution in writing signed by all the Members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. In the case of an equality of votes, the chairman shall be entitled to a second or casting vote in addition to any other vote he may have.
- 5.6 Save as otherwise provided herein, all the provisions of laws and of the Company's bye-laws relating to the proceedings of the Board shall mutatis mutandis to the meetings and proceedings of the Committee.

## **6. AUTHORITY**

- 6.1 The Committee shall consult the chairman and/or chief executive officer of the Company about their remuneration proposals for other executive directors of the Company (the "Directors"), if any, and the Committee should have access to independent professional advice if considered necessary for the purpose of performing its duties at the expense of the Company.
- 6.2 The Committee shall be provided with sufficient resources to perform its duties.

## **7. DUTIES**

The duties of the Committee shall be:

- (a) to make recommendations to the Board on the Company's remuneration policy and structure for all the Directors and senior management and on the establishment of a formal and transparent procedure for developing the remuneration policy;
- (b) to make recommendations to the Board on the remuneration package of individual executive Directors and senior management, 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 the non-executive Directors. The Committee should consider factors such as salaries paid by comparable companies,

prevailing market conditions, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;

- (c) to review and approve the management's remuneration proposals with reference to corporate goals and objectives resolved by the Board from time to time;
- (d) to review and approve compensation payable to the 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;
- (e) to review and approve compensation arrangements relating to dismissal or removal of the Directors for misconduct to ensure that they are consistent with contractual terms and are 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 form a view and advise shareholders on how to vote with respect to any service contracts of the Directors that require shareholders' approval under Rule 13.68 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

*Note: "Senior management" refers to the persons referred to in the Company's annual report and required to be disclosed under paragraph 12 of Appendix 16 to the Listing Rules. Details of any remuneration payable to the members of senior management by band are required to disclose in the Company's annual report.*

## **8. REPORTING PROCEDURES**

The Committee shall report to the Board on the discussions or recommendations made (unless there are legal or regulatory restrictions to do so) after each meeting. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board after each meeting.

*Note: In the event of inconsistency, the English texts of the terms of reference of the remuneration committee shall prevail over the Chinese texts thereof.*