



PC PARTNER GROUP LIMITED

栢能集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1263)

**TERMS OF REFERENCE
OF
THE REMUNERATION COMMITTEE
(the "Committee")**

Membership

1. The Committee shall consist of not less than three members appointed by the board of directors of the Company (the "Board"), with the majority of the members being independent non-executive directors of the Company.
2. The chairman of the Committee shall be appointed by the Board and shall be an independent non-executive director of the Company.
3. The members of the Committee shall not have personal financial interest (other than being a shareholder of the Company) and conflicts of interest arising from cross-directorships.
4. The term of membership shall be governed by the provisions of the articles of association of the Company (as amended from time to time).
5. The appointment of the members of the Committee may be revoked and new members can be appointed in their stead, by resolutions passed by the Board and by the Committee respectively.
6. No alternate member of any member of the Committee can be appointed.
7. The company secretary of the Company shall be the secretary of the Committee.

Frequency and proceedings of meetings

8. The Committee shall meet at least once a year. Additional meetings should be held as and when the work of the Committee demands or when the Board demands.
9. The chairman of the Committee may convene additional meetings at his discretion.

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**for identification purpose only*

10. The quorum of a meeting shall be two independent non-executive directors.
11. A member of the Committee shall abstain from voting and shall not be counted in the quorum of a meeting in respect of the resolution regarding the remuneration payable to him.
12. Proceedings of meetings of the Committee shall be governed by the provisions of the articles of association of the Company (as amended from time to time).

Responsibility

13. The Committee is to review and formulate policies in respect of remuneration structure for all directors of the Company (“Directors”) and senior management of the Company (“Senior Management”) and make recommendations to the Board for its consideration. Remuneration levels should be sufficient to attract and retain Directors and members of Senior Management to run the Company successfully without paying more than necessary.

Duties, powers and functions

14. The Committee is to: -
 - (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 and to consult the chairman and/or chief executive about their remuneration proposals for other executive Directors. The Committee should have access to independent professional advice if necessary;
 - (b) have the delegated responsibility to determine the remuneration packages 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 on remuneration of non-executive Directors. The Committee considers salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries (together, the “Group”);
 - (c) review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives;
 - (d) ensure that a significant portion of executive Directors' remuneration should link rewards to corporate and individual performance;
 - (e) review and approve compensation payable to executive Directors and members of Senior Management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and otherwise fair and not excessive;
 - (f) 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;

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- (g) ensure that no Director or any of his associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”)) is involved in deciding his own remuneration and that, as regards the remuneration of a non-executive Director who is a member of the Committee, his/her remuneration should be determined by the other members of the Committee;
- (h) consider the granting of share options to Directors pursuant to any share option scheme adopted by the Company;
- (i) review and make recommendations to the Board regarding the pension arrangements for Directors and Senior Management;
- (j) review and report to the Board on any suspected irregularities in the reimbursement of unreasonable out-of-pocket expenses of Directors and Senior Management;
- (k) review and approve the interim report, annual report, announcement and circular or any publication of the Company regarding remuneration and service contracts of the Directors prior to approval by the Board;
- (l) to be provided with sufficient resources to perform its duties;
- (m) make available these terms of reference, explaining its role and the authority delegated to it by the Board by including them on the Stock Exchange’s website and the Company’s website; and
- (n) consider other matters, as defined or assigned by the Board from time to time.

Reporting Procedures

- 15. Full minutes of the meetings of the Committee shall be kept by the secretary of the Committee, who shall prepare and send draft and final versions of minutes of meetings and all written resolutions of the Committee to all members of the Committee for their comments and records respectively, in both cases within a reasonable time after the meeting.
- 16. The Committee should report to the Board on a regular basis on its decisions or recommendations and on the matters set out in these terms of reference.
- 17. The secretary of the Committee shall circulate the minutes of meetings and all written resolutions of the Committee to all members of the Board, keeping the Board informed of the Committee’s activities, decisions and recommendations on a regular basis.
- 18. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report to the Board on the works, significant decisions, findings and recommendations of the Committee since the last Board meeting.

Note: If there is any inconsistency between the English and the Chinese versions of this Terms of Reference, the English version shall prevail.

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