

InvesTech Holdings Limited
(the “Company”)

**Terms of Reference of the Compensation and Benefits Committee (the
“Committee”
of the Board of Directors (the “Board”) of the Company**

1. Constitution

- 1.1 The Committee is established pursuant to a resolution passed by the Board at its meeting held on 25th October 2010 with its responsibilities:
- (a) to consult the chairman and/or chief executive about their remuneration proposals for other executive directors;
 - (b) to 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;
 - (c) to review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives;
 - (d) to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management .The remuneration packages should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
 - (e) to make recommendations to the Board on the remuneration of non-executive directors;
 - (f) to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Company and its subsidiaries (the “**Group**”);
 - (g) to 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;
 - (h) to 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;
 - (i) to ensure that no director or any of his associates (as defined in the Rules

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Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) is involved in deciding his own remuneration; and

- (k) in respect of any service agreement to be entered into between any members of the Group and its director or proposed director, to review and provide recommendation to the shareholders of the Company (other than shareholder(s) who is/are director(s) with a material interest in the relevant service agreements and their respective associates) as to whether the terms of the service agreements are fair and reasonable and whether such service agreements are in the interests of the Company and the shareholders as whole, and to advise shareholders on how to vote.
- (l) to administer, implement and/or given effect to Share Option Scheme.

2. Membership

- 2.1 Members of the Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members, a majority of whom shall be independent non-executive directors.
- 2.2 The chairman of the Committee shall be appointed by the Board and has to be an independent non-executive director of the Company.
- 2.3 The Chairman shall attend the annual general meeting of the Company and be prepared to respond to any question from the shareholders on the Committee’s activities.
- 2.4 The appointment of the members of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee.
- 2.5 The secretary of the Company shall act as the secretary of the Committee.
- 2.6 The constitution of the Committee shall comply with the requirements of the Listing Rules as amended from time to time.

3. Frequency and proceedings of meetings

- 3.1 The Committee should meet at least once per year. The Chairman may convene additional meetings at his discretion.
- 3.2 Notice of Meeting
 - (a) Unless otherwise agreed by all the Committee members, a meeting shall be convened by at least fourteen (14) days’ notice.

- (b) A Committee member may at any time summon a Committee meeting.
 - (c) Notice shall be given to each Committee member in person orally or in writing or by telephone or by facsimile transmission or email at numbers or addresses from time to time notified to the secretary of the Company by such Committee member or in such other manner as the Committee members may from time to time determine, provided that a Committee member shall not be in attendance when his/her own remuneration package or benefits are being discussed.
 - (d) Any notice given orally shall be followed by confirmation in writing before the meeting.
 - (e) Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting.
- 3.3 Members of the Committee may attend meetings of the Committee either in person or through other electronic means of communication.
- 3.4 Should any member of the Committee wish to attend a meeting through electronic communications, prior arrangements shall be made with the Secretary.
- 3.5 The quorum of the Committee meeting shall be two members of the Committee.
- 3.6 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The relevant member of the Committee shall not be counted towards the quorum and he/she must abstain from voting on any resolution of the Committee in which he/she and/or his/her associates have a material interest.
- 3.7 Other Board members shall also have the right of attendance.

4. Alternate Committee members

- 4.1 A Committee member may not appoint any alternate.

5. Authorities of the Committee

- 5.1 The Committee has the authority delegated to it from the Board to deal with the matters set out in clause 1.1 above.

- 5.2 The Committee should be provided with sufficient resources to perform its duties.

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The Committee should have access to independent professional advice if necessary. If the request for additional resources is denied, the Committee may, if it chooses, make a request to the Board through the Secretary. The Board shall convene a Board meeting as soon as reasonably practicable to consider the request. All such requests shall be processed in accordance with the Company's pre-defined procedures for seeking independent professional advice at the Company's expense.

- 5.3 At the expense of the Company, every newly appointed member of the Committee shall be given a comprehensive, formal and tailored induction on the first occasion of his/her appointment, and subsequently such briefing and professional development as is necessary, to ensure that he/she has a proper understanding of the operations and business of the Company and that he/she is fully aware of his/her responsibilities as a member of the Committee.
- 5.4 All members of the Committee shall have access to the advice and services of (a) the chairman and/or chief executive officer about their proposals relating to the remuneration of other executive directors; and (b) the secretary with a view to ensuring that procedures of the Committee and all applicable rules and regulations are followed.

6. Minutes of meetings

- 6.1 Full minutes of Committee meeting shall be kept by the secretary of the Company and should be open for inspection at any reasonable time on reasonable notice by any director of the Company. The secretary of the Company shall circulate the draft and final version of minutes of Committee meetings to all the Committee members for their comments and records within a reasonable time after the meeting.

7. Written resolutions

- 7.1 Written resolutions may be passed by all Committee members in writing. This provision is without prejudice to any requirement under the Listing Rules for a Board or Committee meeting to be held.

8. Reporting procedures

- 8.1 The Committee should report back to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).
- 8.2 Where the Board resolves to approve any compensation and benefits arrangements which the Committee has previously resolved not to approve, the Committee shall prepare a statement, for inclusion in the Company's Corporate

Governance Report, explaining its recommendations. The Board shall include in

the same report the reason(s) why the Board takes a different view.

9. Continuing application of the articles of association of the Company

- 9.1 The articles of association of the Company regulating the meetings and proceedings of the directors of the Company so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

10. Powers of the Board

- 10.1 The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including Appendix 14 (Corporate Governance Code and Corporate Governance Report) to the Listing Rules), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.
11. Every member of the Committee shall give sufficient time and attention to his/her duties as a member of the Committee. He/she shall give the Company the benefit of his skills and expertise through regular attendance and active participation.
12. The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
13. If there is any inconsistency between the English and Chinese versions of these terms of reference, the English version shall prevail.

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