



**MEDIA CHINESE INTERNATIONAL LIMITED**

世界華文媒體有限公司

*(Incorporated in Bermuda with limited liability)*

(Malaysia Company No. 995098-A)

(Hong Kong Stock Code: 685)

(Malaysia Stock Code: 5090)

**TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

**1 Formation**

The Remuneration Committee was formed pursuant to the board resolution of Media Chinese International Limited (the “Company”) passed on 25 May 2005.

**2 Composition**

The Remuneration Committee shall consist of not less than three (3) members.

Majority of the committee members should be Independent Non-Executive Directors.

**3 Quorum**

The quorum for each meeting shall be a majority of members present.

**4 Chairman**

The members of the Remuneration Committee shall elect a chairman among themselves who shall be an Independent Non-Executive Director.

In the absence of the Chairman of the Remuneration Committee, the remaining members present shall elect one of themselves to chair the meetings of the Remuneration Committee.

**5 Meetings**

The meetings and proceedings are governed by the provisions contained in the Bye-Laws of the Company for regulating meetings and proceedings of Directors.

The meetings shall be held at least once a year. A member may at any time and the secretary shall on the requisition of its member summon a meeting of the Remuneration Committee.

Questions arising at any meeting of Remuneration Committee shall be decided by a majority of votes and a determination by a majority of members shall for all purposes be deemed a determination of the Remuneration Committee.

In the case of an equality of votes the chairman of the meeting shall have a second or casting vote PROVIDED THAT where two (2) members form a quorum, the chairman of the meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question at issue, shall not have a casting vote.

The company secretary shall be the secretary of the Remuneration Committee. The secretary shall maintain minutes of the proceedings of the meetings of the Remuneration Committee.

Draft and final versions of minutes of the meetings should be sent to all committee members for their comment and records, within a reasonable time after the meeting.

In the absence of the company secretary in any meeting of the Remuneration Committee, the members present at the meeting shall elect another person as the secretary of the meeting.

## **6 Objectives**

The primary objective of the Remuneration Committee is to act as a committee of the full Board to assist in assessing and developing a formal and transparent procedures for setting policy on the remuneration of the Directors and Senior Management of the Company.

The Remuneration Committee is to achieve a balance between setting the level and structure of the remuneration package of the Executive Directors and the Senior Management against the Company's interest in paying appropriate remuneration, taking into account the level of executive responsibilities and its appropriateness in light of the Company's performance.

## **7 Authority**

The Remuneration Committee is authorised by the Board:

- a) To investigate any activity within duties and responsibilities outlined in its terms of reference;
- b) To seek any information it requires from any employee and external parties and all employees are directed to co-operate with any request made by the Remuneration Committee, within the scope of its assigned duties; and
- c) Subject to prior discussion concerning the costs and consent of 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 considers this necessary and reasonable for the performance of its duties.

## **8 Duties and responsibilities**

The duties and responsibilities of the Remuneration Committee shall be:

- a) 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, which shall take into consideration factors such as salaries paid by comparable companies, employment conditions, responsibilities and individual performance of Directors, Senior Management and the general staff;
- b) To determine and agree with the Board on the remuneration framework for Executive Directors and Senior Management that supports the overall business strategies and long-term objectives of the Company as well as provides adequate motivational incentive for them to pursue the long term growth and success of the Company;
- c) To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives resolved by the Board from time to time;
- d) To review and recommend to the Board on the performance measures for incentive plans for Executive Directors and Senior Management;

- e) To review and recommend to the Board on the remuneration packages of individual Executive Directors and Senior Management. This should include guaranteed payment, short and long term incentives, benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- f) To make recommendations to the Board on the remuneration of Non-Executive Directors;
- g) To consider and recommend to the Board on the annual performance bonus for Executive Directors and Senior Management, having regard to their achievements against the performance criteria;
- h) To prepare annual remuneration report or advise the Board in relation to the preparation of such remuneration report and ensure that all necessary disclosures on matters are properly made and included in the annual report of the Company;
- i) To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere within the group of companies;
- j) To prepare and respond to shareholders at the Company's annual general meeting, as far as practicable, on any matters within the duties and responsibilities of the Remuneration Committee;
- k) 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;
- l) To review and approve compensation arrangements relating to dismissal or removal of Directors and Senior Management for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- m) To ensure that no Director or any of his associates is involved in deciding his own remuneration;
- n) To consult the chairman and/or the chief executive officer about their remuneration proposals for other Executive Directors and Senior Management and have access to independent professional advice if necessary;
- o) To consider and examine any other matters as the Remuneration Committee considers appropriate;
- p) To review from time to time as appropriate these Terms of Reference and recommend to the Board any necessary changes; and
- q) To conform to any requirement, direction, and regulation and to perform such further functions related to the foregoing that may from time to time be prescribed by the Board or imposed by legislation from time to time.

For the purpose of these Terms of Reference, "Senior Management" should refer to the same category of persons as referred to in the Company's annual report.

These Terms of Reference will be posted on the respective websites of the Company and Hong Kong Exchanges and Clearing Limited.