

Southwest Securities International Securities Limited

西證國際證券股份有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 812)

REMUNERATION COMMITTEE

Terms of Reference

Constitution

The board of directors (the “**Board**”) of Southwest Securities International Securities Limited (the “**Company**”) hereby resolves to establish a committee of the Board to be known as the Remuneration Committee (the “**Committee**”).

Membership

The members of the Committee shall be appointed by the Board from amongst the directors of the Company and the Committee shall consist of not less than three members, the majority of which shall be independent non-executive directors.

The chairman of the Committee shall be appointed by the Board.

Secretary of Committee

The secretary of the Committee shall be appointed by the Committee members from time to time.

Attendance at meetings

A quorum of the Committee meeting shall be 2 members. Other Board members, apart from the Committee members, have the right to attend any Committee meetings, though they shall not be counted in the quorum.

Frequency of meetings

The Committee members may call any meetings at any time when necessary.

** For identification purpose only*

Authority

The Committee is authorized by the Board to seek any necessary information which is within the Committee's scope of duties from the employees.

The Committee is authorized by the Board to obtain outside independent professional advice, and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.

Duties

The duties of the Committee shall include, but shall not be limited to the following:

1. 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;
2. To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
3. To determine, with delegated responsibility, 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 the remuneration of non-executive directors. The Committee should consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries (together, the "Group"). A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance;
4. 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 otherwise fair and not excessive;
5. 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; and
6. To ensure that no director or any of his/her associates is involved in deciding his/her own remuneration.

"Senior management" refers to the same category of persons as referred to in the Company's annual report. It is the responsibility of the directors of the Company to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries, heads of divisions, departments or other operating units within the Group as, in the opinion of the directors, is appropriate.