



XIDELANG HOLDINGS LTD
Bermuda Company No. 43136
Malaysian Foreign Company Registration No. 995210-W

REMUNERATION COMMITTEE TERMS OF REFERENCE

Approved and Adopted by the Remuneration Committee
Date: 25 March 2016

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1. Purpose

The primary purpose of the Remuneration Committee (the "Committee") of the Board of Directors (the "Board") of XiDeLang Holdings Ltd ("XDL" or "the Company") is to assist the Board in fulfilling its oversight responsibilities with respect to:-

- (a) Establish formal and transparent remuneration policies and procedures to attract and retain Directors (executive and non-executive) and executives (where appropriate) who will create sustainable value for members and other stakeholders.
- (b) Fairly and responsibly reward Directors and executives (where appropriate) having regard to the performance of the Company, the performance of the Director and/or executive and the external compensation environment.
- (c) Other matters referred to the Committee by the Board.

2. Composition

The Committee shall be appointed by the Board and shall consist of not less than two (2) members, of which comprising wholly or mainly of non-executive directors.

In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months.

The Board must review the term of office and performance of the Committee and each of its members at least once every three (3) years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

3. Chairman

Unless a Chairman is elected by the full Board, the members of the Committee may designate a Chairman by majority vote of its membership. The Chairman will chair all regular sessions of the Committee and will set the agenda for the Committee meetings.

4. Secretary

The Company Secretary will act as Secretary to the Committee, unless otherwise determined by the Committee.

5. Meetings

The Committee shall meet at least once a year, or as frequently as circumstances dictate.

The meeting of the Committee shall be transparent, with all proceedings recorded and actions documented.

The Committee will report to the full Board with respects to its meetings, and provide the Board with a copy of the minutes of Committee meetings.

6. Quorum

Two (2) members of the Committee shall constitute a quorum at any meeting and majority of members present must be Non-Executive Directors to form a quorum.

7. Responsibilities and Duties

In performing its role, the responsibilities of the Remuneration Committee include, but are not limited to:-

(a) Remuneration of the Board

- (i) Monitor, review and make recommendations regarding the remuneration and benefits of executive and non-executive Directors.
- (ii) Seek confirmation that all associated governance, accounting, legal, approval and disclosure requirements in relation to the remuneration of directors are satisfied in full.
- (iii) Review the criteria and procedure to be used for determining remuneration packages of the directors.

(b) Performance and remuneration of Managing Director ("MD")/Chief Executive Officer ("CEO"), Deputy CEO and Chief Operating Officer ("COO")

- (i) Monitor, review and make recommendations to the Board on the key accountabilities including corporate goals and objectives and the appropriate performance measures for the MD/CEO, Deputy CEO and COO.
- (ii) Make recommendations to the Board on the terms and conditions of the MD/CEO, Deputy CEO and COO's employment contract, including fixed annual remuneration, short-term and long-term incentives, equity-based payments, benefits, pensions, superannuation, retirement and termination compensation.
- (iii) Review, at least annually, the MD/CEO, Deputy CEO and COO's remuneration arrangements with due consideration to law and corporate governance principles.
- (iv) Monitor the performance of the MD/CEO, Deputy CEO and COO and, at least annually, undertaking a formal review of the MD/CEO, Deputy CEO and COO's performance against agreed measures, considering the MD/CEO, Deputy CEO and COO's compensation and entitlement to performance based remuneration and reporting its findings and recommendations to the Board.

- (v) Agree the policy for authorising claims for expenses made by the MD/CEO, Deputy CEO and COO.
 - (vi) Ensure any new or varied contracts with the MD/CEO, Deputy CEO and COO are disclosed in accordance with any governance, accounting and legal requirements.
- (c) Performance and remuneration of Senior Management (where deemed appropriate by the Board)
- (i) Endorse the performance review process for senior management.
 - (ii) Consider the results of the MD/CEO, Deputy CEO and COO's annual performance review of senior management.
 - (iii) Annually review the key accountabilities, performance measures, employment terms and remuneration arrangements for senior management, and recommending any changes to the Board.

(d) Board Approvals

The Board must approve the following (subject to recommendation by the Committee where required under this Terms of Reference):-

- The Executive Directors remuneration policy.
- The remuneration report to be included in the annual report and accounts.
- The design of all equity-based incentive plans.
- The remuneration of the Non-executive Directors.

(e) Committee Approvals

The Committee must approve the following prior to implementation:-

- Changes to the remuneration or contract terms of Executive Directors.
- The design of new executive equity or cash-based incentive plans and any amendments to current plans.
- The total level of award proposed from equity-based plans or executive cash based incentive plans.
- Termination payments to Executive Directors and other members of the Senior Executive Team.

8. Authority

The Committee is authorised to seek any information it requires from any employee of the Company in order to perform his/her duties.

In furtherance to their duties as the Committee's members of the Company, there should be authorised procedures for the members, whether as a full committee or in

their individual capacity, to take independent professional advice at the Company's expense, if necessary.

9. Remuneration Principle

The remuneration structure should make it possible to attract and recruit the right people for the Board, who possess both the necessary leadership qualities and the required background and experience in relevant areas of the Company's business. The structure shall encourage and motivate the Board to focus on a strong market position of the Company, financial results and shareholder value creation as well as providing the members of the Board with incentives to achieve long-term growth objectives.

The total remuneration packages shall aim to be competitive and in line with current market practice for Board members of comparable companies, taking into account both size and business complexity.

The key areas of consideration for determining the remuneration of the directors:-

- Support the Group's objectives, culture and strategies.
- The Group's performance for the year.
- The individual's performance against established criteria and performance related elements, responsibility and accountability.
- For Non-Executive Directors, the remuneration is in line with the level of contribution and taking into account factors such as efforts and devotion of time and the responsibilities entrusted upon them.
- The level of expertise, knowledge and experience.
- The Group's policy with regard to Directors' fee, salaries, allowances, bonuses, options and benefits-in-kind and termination/retirement benefits.

The total remuneration of the Executive Directors consists of the following elements:-

- A fixed element: annual salary and vacation allowance.
- A variable element: bonus.

The Executive Directors shall not participate in the discussion with regard to their own remunerations. The determination of the remuneration package of Directors is a matter for the Board as a whole following the relevant recommendation made by the Committee, with the Directors concerned abstaining from deliberations and voting on his/her own remuneration.

10. Reporting

The following material shall be included in the corporate governance section of the Company's annual report:-

- The Company's remuneration policy.
- The names of the members of the Committee and their attendance at Committee meetings.
- The aggregate remuneration of directors with categorisation into appropriate components (e.g. directors' fees, salaries, bonuses, commission, compensation for loss of office, benefits-in-kind based on an estimated money value) distinguishing between executive and non-executive directors.

11. Review of the Terms of Reference

The Terms of Reference is reviewed annually by the Committee to ensure it remains consistent with the Committee's authority, objectives and responsibilities with significant changes recommended for approval by the Board.