



# ANTA Sports Products Limited

安踏體育用品有限公司

## Remuneration Committee Terms of Reference

Effective date of these terms of reference: Adopted by the Board on 23 March 2012

### Definition:

Group means ANTA Sports Products Limited and its subsidiaries

Company means ANTA Sports Products Limited

Board means the board of directors of the Company

Committee means the remuneration committee of the Company

### 1 Constitution and functions

- 1.1 The Board of the Company constitutes and establishes the Committee with authority, responsibility and specific duties as described below.
- 1.2 The Committee shall make recommendations to the Board on the Company's policy and structure for remuneration of all directors of the Company and senior management of the Group and other matters relating to remuneration.

## **2 Composition and membership**

- 2.1 The Committee shall be appointed by the Board. It shall consist of at least three (3) members and a majority of independent non-executive directors. The term of appointment of the Committee shall be determined by the Board.
- 2.2 The Board shall appoint the Committee's chairman (the "**Chairman**") from the members of the Committee, who must be an independent non-executive director. In the absence of the Chairman or his designated nominee, other members of the Committee present at the meeting shall elect one of them to chair the meeting.

## **3 Secretary**

- 3.1 The secretary of the Committee (the "**Secretary**") shall be the company secretary of the Company. The company secretary may designate any other person as the Secretary with the consent of the Committee.
- 3.2 The Secretary shall attend the Committee meetings and draft the minutes and be responsible for all administrative matters of the Committee.

## **4 Frequency and proceedings of meeting**

- 4.1 The Committee shall meet as least once (1) per year. Additional meetings shall be held as the work of the Committee or circumstances require.
- 4.2 The Committee meeting shall be convened by one (1) member of the Committee or the Secretary as authorised by the Committee.
- 4.3 Unless otherwise required, the notice of the meeting confirming the venue, time and date together with an agenda to be discussed thereat shall be given to each member of the Committee and other persons invited to attend the meeting not less than three (3) days before the meeting. Other supporting documents relating to the meeting shall be given at the same time to the members of the Committee and other persons invited to attend the meeting.
- 4.4 A quorum necessary for the transaction of any business by the Committee shall be two (2) members of the Committee. A duly convened Committee meeting at which a quorum is present shall be competent to exercise all or any of the authorities vested in the Committee.

- 4.5 Only members of the Committee are entitled to attend Committee meetings. Other executives of the Group may be invited to attend all or part of any meeting, as and when appropriate and necessary.
- 4.6 Meetings may be held by telephone, electronic or other means of communication that all attendants at the meeting can communicate with each other simultaneously and instantaneously.

## **5 Minutes**

- 5.1 The Secretary shall keep record of all conclusions and resolutions passed at all Committee meetings, including the names and signatures of the attendants.
- 5.2 Full minutes of the Committee meetings shall be kept by the Secretary.
- 5.3 The Secretary shall send the draft and final version of the minutes to all members of the Committee for their comment and records within a reasonable time after the meeting is held. Once agreed, minutes of the Committee meetings shall be circulated to all other members of the Board, unless there is a conflict of interest.

## **6 Duties**

- 6.1 The duties of the Committee shall include:
- (a) to make recommendations to the Board on the Company's policy and structure for remuneration of all directors of the Company and senior management of the Group and on the establishment of a formal and transparent procedure for developing remuneration policy;
  - (b) to determine, with delegation from the Board, 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;
  - (c) to make recommendations to the Board on the remuneration of non-executive directors and independent non-executive directors (if any);
  - (d) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

- (e) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and the Company's objectives approved by the Board from time to time;
- (f) 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;
- (g) 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;
- (h) to ensure that no director or any of his associates is involved in deciding his own remuneration;
- (i) to report back to the Board on its decisions or recommendations (unless there are legal or regulatory restrictions on its ability to do so); and
- (j) to prepare a summary of its work during the year for inclusion in the Company's Corporate Governance Report (including a report on determining the policy for the remuneration of executive directors, assessing performance of executive directors and approving terms of executive directors' service contracts, performed by the Committee).

6.2 For the purpose of these terms of reference, "senior management" shall refer to the same category of persons as referred to in the Company's annual report and is required to be disclosed under paragraph 12 of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

6.3 In carrying out its duties under these terms of reference, the Committee should:

- (a) ensure the packages are sufficient to attract, retain and motivate directors to run the Company successfully without paying more than necessary;
- (b) be sensitive to the wider scene, including pay and employment conditions elsewhere, especially when determining annual salary increases;

- (c) ensure that the remuneration package of executive directors should be designed to align their interest with those of shareholders and to give these directors keen incentives to perform at the highest levels; and
- (d) ensure that share options (if any) are offered in accordance with the Listing Rules.

6.4 The Committee should consult the chairman of the Board and/or the chief executive officer of the Group about their remuneration proposals for other executive directors and should seek independent professional advice where necessary.

## **7 Authority**

- 7.1 The Committee is authorised by the Board to investigate any activity within its duties and responsibilities under these terms of reference, and to collect any information it may require from any employee, director, agent or adviser and all of them are directed to co-operate with any request made by the Committee.
- 7.2 The Committee shall be provided by the Company with sufficient resources to perform its duties. The Committee is authorised by the Board to seek, at the Company's expenses, independent professional advice as necessary.
- 7.3 The Committee may invite external advisers with relevant experience and expertise to participate and attend Committee meetings as and when necessary, and it shall review and approve the advisory fees and other terms of engagement of the external advisers.
- 7.4 The Committee has authority to meet the management which submits recommendations, and to review the remuneration investigation report.

## **8 Reporting Responsibilities**

- 8.1 The Chairman shall duly report to the Board on the discussions and conclusions of each meeting on all matters within its duties and responsibilities after each meeting is held. The minutes of the Committee meetings and their reports shall be circulated to all members of the Board.
- 8.2 The Committee shall make recommendations to the Board on areas where improvement is required as it thinks fit.

- 8.3 The Committee shall prepare a report on the Company's remuneration policy and practices for each year for inclusion in the Company's annual report for shareholders' approval at the annual general meeting.

## **9 General**

- 9.1 The Committee should 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 of Hong Kong Limited's website and the Company's website.
- 9.2 The Chairman (in his absence, another member of the Committee) shall make himself available to attend the annual general meetings of the Company to answer questions thereat.