



NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

TERMS OF REFERENCE FOR REMUNERATION COMMITTEE

Functions

The Remuneration Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Next Media Limited (the “Company”):-

1. to review and develop policies in relation to the remuneration of directors and senior management of the Company; and
2. to make recommendations to the Board from time to time as may be necessary in relation to such policies.

Membership

1. All members of the Committee shall be appointed by the Board and a majority of which must be independent non-executive directors.
2. The chairman of the Committee (the “Chairman”) shall be appointed by the Board and must be an independent non-executive director.
3. The Committee shall consist of a minimum of three (3) members (the “Members”).

Authority

1. The Committee is authorized to review and develop policies in relation to the remuneration of directors and senior management and make recommendations, if any, to the Board. It is authorized to have access to any information it may require from the Chairman of the Board and/or Chief Executive Officer of the Group and/or Chief Operating Officer of the Group in respect of the remuneration packages of other executive directors and senior management.
2. The Committee is authorized by the Board to obtain external legal or other independent professional advice (including the advice of remuneration consultants) at the costs of the Company if the Committee considers necessary.
3. The Committee shall consult the Chairman of the Board and/or Chief Executive Officer of the Group and/or Chief Operating Officer of the Group about their proposals relating to the remuneration of other executive directors.

Responsibilities

The Committee shall have the following duties:

1. to review and develop the Company's policies in relation to the remuneration of directors and senior management and to make recommendations to the Board on such policies;
2. to determine the specific remuneration packages of all 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 factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors and employment conditions elsewhere in the Group;
3. to review and approve the compensation payments/arrangements in connection with:
 - (a) compensation payable to executive directors and/or senior management for any loss or termination of office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;
 - (b) compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
4. to ensure that no director or any of his associates is involved in deciding his own remuneration;
5. to address and deal with such other matters as may be delegated by the Board to the Committee from time to time; and
6. to delegate such of its powers in relation to the remuneration packages/compensation arrangements of the senior management as the Committee deems appropriate to executive directors.

Meetings

1. Meetings shall be held as and when required or at such times as the Committee considers necessary.
2. The Company Secretary, or in his/her absence the Assistant Company Secretary or his/her delegate, shall be the secretary of the Committee.

Proceedings of meetings

1. Subject to the following requirements, the Members may meet together for the dispatch of business, adjourn or otherwise regulate their meetings and proceedings as they think fit, provided that:
 - (a) two Members shall constitute a quorum;
 - (b) a quorum shall be present throughout a meeting;

- (c) not less than five (5) days' prior written notice must be given to all Members for convening each meeting, provided that not less than one-half (1/2) of all the Members may by notice in writing waive the above notice requirement;
 - (d) unless the notice requirement described in paragraph (c) is waived, an agenda describing in reasonable details the business to be transacted at the meeting shall be given to all the Members together with the notice of meeting;
 - (e) at the invitation of the Committee, the Chairman of the Board and/or Chief Executive Officer of the Group and/or Chief Operating Officer of the Group, external advisors and other persons may attend all or part of the meeting;
 - (f) only Members are entitled to vote at the meetings of the Committee; and
 - (g) resolutions of the Committee shall be passed by a majority of votes. Meetings can be held in person, by telephone or by video conference.
2. Subject to the above, the provisions and requirements in relation to the proceedings of meetings to the Board contained in the Company's Articles of Association shall apply, mutatis mutandis, to meetings of the Committee.

Resolutions in Writing

A resolution in writing signed by all the Members shall be as valid and effectual as if it has been passed at a meeting of the Committee duly convened and held.

Reporting Procedures

1. The secretary of the Committee shall circulate the minutes of meetings/resolutions in writing of all the Members and reports of the Committee to all Members of the Board.
2. Reports to the Board and minutes/resolutions in writing of all the Members of the Committee should be formally approved by the Committee before reporting to the Board.

Annual General Meetings

The Chairman shall attend the Company's annual general meetings and be prepared to respond to any shareholder's questions on the Committee's activities.

Amendments

The Board may from time to time amend, repeal and/or re-enact all and any part of these terms of reference.

Publication of the Terms of Reference

A copy of the terms of reference of the Committee will be made available to any person upon request without charge and posted on the respective websites of the Company and Hong Kong Exchanges and Clearing Limited.