



# **PYI Corporation Limited**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 498)**

## **Terms of Reference**

of the Corporate Governance and Compliance Committee (the “**Committee**”)

### **1. Membership**

- 1.1 The members of the Committee (the “**Member(s)**”) shall be appointed by the board of directors (the “**Director(s)**”) of PYI Corporation Limited (the “**Company**”) (the “**Board**”) from time to time.
- 1.2 The majority of the Members shall be independent non-executive Directors.
- 1.3 The Committee shall consist of not less than two Members.
- 1.4 The Chairman of the Committee shall be appointed by the Board.

### **2. Secretary**

- 2.1 The Company Secretary shall serve as secretary of the Committee and he/she (or in his/her absence, his/her duly appointed representative or any one Member) shall serve as the secretary of the Committee’s meetings.

### **3. Meetings**

- 3.1 The Committee shall meet at least twice a year.
- 3.2 Meetings may be convened by any Member or by the secretary of the Committee on the request of a Member. Notice may be given in writing or by telephone or by facsimile or electronic transmission or other similar means or in such other manner as the Committee may from time to time determine.

- 3.3 The quorum of the Committee shall be any two Members.
- 3.4 Meetings can be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other.
- 3.5 Resolutions of the Committee at any meetings shall be passed by a simple majority of votes of the Members present.
- 3.6 A resolution in writing signed by all the Members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.
- 3.7 Other than that stated herein, all the provisions of laws and of the Company's bye-laws relating to the proceedings of the Board shall apply mutatis mutandis to proceedings of the Committee.
- 3.8 Draft and final versions of minutes of meeting of the Committee shall be sent to all Members for their comment and records respectively within a reasonable time after the meeting is held. Final version of minutes of meetings shall be kept by the secretary of the Committee and open for inspection by the Members and the Board.

#### **4. Attendance at meetings**

- 4.1 The Committee may invite any Director, executive or other person to attend any meeting(s) of the Committee as it may from time to time consider desirable to assist the Committee in the attainment of its objectives and discharge of its responsibilities and powers.
- 4.2 Only Members are entitled to vote at the meetings.

#### **5. Objective**

- 5.1 The Committee shall be responsible for performing the corporate governance duties and shall have general oversight of the Company's compliance with the legal and regulatory requirements of its business operations (including but not limited to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Hong Kong Codes on Takeovers and Mergers and Share Repurchases), as well as compliance with its code of conduct and/or business ethics policies and prevailing corporate governance practices and standards. This shall not include the Company's financial reporting and disclosure requirements which shall be the responsibility of the Company's Audit Committee.

## **6. Authority**

- 6.1 The Committee is authorised by the Board to seek any compliance related information it requires from senior management of the Company in order to perform its duties.
- 6.2 The Committee is authorised by the Board to obtain independent legal or other professional advice, if necessary, to perform its duties at the expense of the Company.
- 6.3 The Committee shall be provided with sufficient resources to perform its duties.
- 6.4 The Committee shall have the authority to conduct such investigations into matters relating to the Company's corporate governance, legal and regulatory compliance as the Committee may deem necessary in the circumstances and report its findings to the Board for further action.

## **7. Responsibility and Powers**

The Committee shall have the following ongoing responsibilities and powers:

- 7.1 to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- 7.2 to review and monitor the training and continuous professional development of directors and senior management;
- 7.3 to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements and to meet with the management of the Company from time to time to assess the Company's compliance policies, programs and procedures;
- 7.4 to develop, review, monitor and approve any code of conduct and compliance manual (if any) applicable to employees and directors of the Company;
- 7.5 to investigate or cause to be investigated any significant instances of non-compliance or potential compliance violations that are reported to the Committee;
- 7.6 to review the Company's compliance with the Corporate Governance Code as contained in the Listing Rules (as amended from time to time) and disclosure in the Corporate Governance Report; and

7.7 to review the Company's compliance with the Environmental, Social and Governance Reporting Guide as contained in the Listing Rules (as amended from time to time) and disclosure in the Environmental, Social and Governance Report.

## **8. Reporting procedure**

8.1 The Committee shall report to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so.

*Remark : "senior management" should refer to the same category of persons as referred to in the Company's annual report and is required to be disclosed under Appendix 16 to the Listing Rules.*

Date: 18 March 2016 (Revised)