

FORGAME HOLDINGS LIMITED
雲遊控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00484)

**Terms of Reference for the
Remuneration Committee of
Forgame Holdings Limited
(the “Company”)**

(with effect from 1 January 2019)

Definitions

1. For the purposes of these terms of reference (the **Terms**):

Board means the board of directors of the Company.

Company Secretary means the company secretary (or any one of the joint company secretaries, as the case may be) of the Company.

Directors means the members of the Board.

Group means the Company and its subsidiaries.

Listing Rules means The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time).

Remuneration Committee means the remuneration committee established by the resolution of the Board in accordance with clause 3 of these Terms.

Senior Management means the president, executive vice presidents, chief executive officer, chief financial officer, chief products officer, chief operations officer, chief information officer, general counsel, Company Secretary and any other officers of the Company as may be appointed by the Board from time to time; and any other employees of the Company as may be determined by the Remuneration Committee to be part of Senior Management.

Shareholders means the shareholders of the Company.

Stock Exchange means The Stock Exchange of Hong Kong Limited.

2. The word “remuneration”, as used in these Terms, includes without limitation any salaries, bonuses, allowances, benefits (in cash or in kind), pension arrangements, reimbursements, compensation payments (including any compensation payable for loss or termination of office or appointment), incentive payments and share options.

Constitution

3. The Remuneration Committee was established by resolutions of the Board on September 1, 2013.

Membership

4. The members of the Remuneration Committee shall be appointed by the Board from time to time from among the Directors and shall consist of not less than three members, a majority of whom shall be independent non-executive Directors. The quorum of a Remuneration Committee meeting shall be any two members of the Remuneration Committee one of whom must be an independent non-executive Director.

LR3.25

5. The Chairman of the Remuneration Committee shall be appointed by the Board and should be an independent non-executive Director. LR3.25
6. No member of the Remuneration Committee shall receive, either directly or indirectly, any remuneration other than Directors' fees from the Company for any advisory or consultancy role or otherwise.
7. The term of office of a member of the Remuneration Committee shall correspond to that of a Director.
8. Each member of the Remuneration Committee shall disclose to the Remuneration Committee:
- (a) any personal financial interest (other than as a Shareholder of the Company) in any matter to be decided by the Remuneration Committee; and
 - (b) any potential conflict of interest arising from a cross-directorship.

Any such member shall abstain from voting on resolutions of the Remuneration Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions, and shall (if so required by the Board) resign from the Remuneration Committee.

Frequency and conduct of meetings

9. Unless otherwise stated herein, the meetings of the Remuneration Committee are governed by the provisions regulating the meetings and proceedings of Directors in the Company's Articles of Association.
10. Meetings shall be held at least once a year. The Chairman of the Remuneration Committee shall convene a meeting upon request by any member of the Remuneration Committee.
11. An agenda and any accompanying Board papers should be sent in full to all Directors in a timely manner and at least three days before the proposed date of a meeting of the Remuneration Committee (or other agreed period). A.7.1
12. Senior Management is obliged to supply the Directors with adequate information, in a timely manner, in order to enable them to make informed decisions. The information supplied must be complete and reliable. Where a Director requires more information than the information initially provided by Senior Management, then that Director is entitled and encouraged to request further information until satisfied. All Directors shall have separate and independent access to Senior Management. A.7.2

Annual General Meetings

13. The Chairman of the Remuneration Committee shall attend the Company's annual general meeting and be prepared to respond to any Shareholder questions on the Remuneration Committee's activities. E.1.2
14. If the Chairman of the Remuneration Committee is unable to attend an annual general meeting of the Company, he shall arrange for another member of the Remuneration Committee, or failing this, his duly appointed delegate, to attend in his place. Such person shall be prepared to respond to any Shareholder questions on the Remuneration Committee's activities.
15. The Secretary of the Remuneration Committee shall be a Company Secretary or his/her appointed delegate.

Authority

16. The Remuneration Committee is authorised by the Board to discharge its duties within these Terms. It is authorised to seek any remuneration information it requires from the Directors and/or Senior Management. All Directors and Senior Management are directed to co-operate with the Remuneration Committee.
17. The Remuneration Committee is authorised and encouraged by the Board to obtain external independent professional advice from reputable internationally recognised advisors, at the Company's expense, and to secure the attendance of such external advisors with relevant experience and expertise. The Remuneration Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external remuneration consultant who advises the Remuneration Committee. B.1.4

Duties

18. The duties of the Remuneration Committee shall include:
- (a) making recommendations to the Board on the Company's policy and structure for all Director and Senior Management remuneration and establishing a formal and transparent procedure for developing remuneration policy; B.1.2(a)
 - (b) reviewing and approving Senior Management's remuneration proposals with reference to the Board's goals and objectives; B.1.2(b)
 - (c) being responsible, as the Board shall direct, for making recommendations to the Board on 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; B.1.2(c)

- (d) making recommendations to the Board on the remuneration of non-executive Directors; B.1.2(d)
- (e) considering salaries paid by comparable companies in the industry in which the Company operates, time commitment and responsibilities, and employment conditions elsewhere in the Group; B.1.2(e)
- (f) reviewing and approving the compensation payable to executive Directors and Senior Management for any loss or termination of office or appointment in order to ensure that such compensation is consistent with the contractual terms and is otherwise fair and in line with market practice; B.1.2(f)
- (g) reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct in order to ensure they are consistent with contractual terms and are otherwise reasonable and appropriate; B.1.2(g)
- (h) ensuring that no Director or any of his/her associates (as such term is defined in the Listing Rules) is involved in deciding his own remuneration; and B.1.2(h)
- (i) reviewing the Group's policy on expense reimbursements for the Directors and Senior Management.

19. In carrying out its duties under these Terms, the Remuneration Committee should:

- (a) consult the Chairman of the Board and/or the Chief Executive Officer about their remuneration proposals for other executive Directors and Senior Management and to consult independent professional advice if necessary; B.1.1
- (b) provide competitive packages needed to attract, retain and motivate executive Directors and Senior Management of the quality required in line with market practice;
- (c) judge where to position the Group relative to other companies in the industry in which the Group operates. The Remuneration Committee should be aware what comparable companies are paying and should take account of relative performance;
- (d) be sensitive to market practice, including pay and employment conditions within the Group and elsewhere in the industry in which the Group operates, especially when determining annual salary increases;
- (e) ensure that the performance-related elements of remuneration form a significant proportion of the total remuneration package of executive Directors and Senior Management and are designed to align their interests with those of Shareholders and to give the Directors and Senior Management incentives to perform at the highest levels; and B.1.7
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- (f) ensure that share options offered by the Company to its Directors or Senior Management (if any) are in accordance with Chapter 17 of the Listing Rules or the employees incentive schemes are in compliance with applicable laws and regulations, as applicable.
20. Without prejudice to the generality of these Terms for the Remuneration Committee set out above, the Remuneration Committee shall:
- (a) operate the Company's share option scheme or other incentive schemes as they apply to, and recommend to the general meeting of Shareholders, grants of options to be made to Directors and Senior Management. It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to individuals to be at the discretion of the Board) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);
 - (b) liaise with the trustee of any employee share incentive scheme which is created by the Company for the benefit of employees, Senior Management or Directors;
 - (c) review the terms of executive Directors' and Senior Management's service contracts from time to time; and
 - (d) advise the Board in relation to the preparation of the Board's remuneration report (if any) to Shareholders.

Reporting procedures

- 21. Full minutes of the Remuneration Committee's meetings shall be kept by the Secretary of the Remuneration Committee as designated in clause 15 of these Terms, and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director. A.1.4
- 22. Minutes of meetings of the Remuneration Committee shall record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of minutes should be sent to all members of the Remuneration Committee for their comment and records respectively, in both cases within a reasonable time after such meetings. A.1.5
- 23. Without prejudice to the generality of the duties of the Remuneration Committee set out in these Terms, the Remuneration Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on doing so. D.2.2

Provision of Terms

24. The Remuneration Committee shall make available these Terms on request and by inclusion on the Stock Exchange's website and the Company's website, thereby explaining the role of the Remuneration Committee and the authority delegated to it by the Board.

B.1.3

Approval of Disclosure Statements

25. The Remuneration Committee shall be responsible for approving all disclosure statements in relation to the Remuneration Committee, including but not limited to relevant disclosure statements in annual reports, half-year reports and information uploaded on the Stock Exchange's website and the Company's website.

Review of Terms

26. The Remuneration Committee shall review these Terms annually, and may consider and submit to the Board any proposed changes that the Remuneration Committee deems appropriate or advisable.