

SPACKMAN ENTERTAINMENT GROUP LIMITED

REMUNERATION COMMITTEE – TERMS OF REFERENCE

1. General Scope and Authority

- 1.1 The Remuneration Committee (the “**RC**”) is a Committee of the Board of Spackman Entertainment Group Limited (the “**Company**”, and together with its subsidiaries, the “**Spackman Group**”) established by a resolution of the Board of Directors of the Company (the “**Board**”).
- 1.2 The primary purpose of the RC is to support and advise the Company and its unlisted subsidiaries in remuneration matters and leadership development of the Spackman Group by:-
 - (a) overseeing the development of leadership and management talent in the Spackman Group;
 - (b) ensuring that companies in the Spackman Group have appropriate remuneration policies; and
 - (c) designing competitive compensation packages which focus on long term sustainability of business and long term shareholders’ return.
- 1.3 In addition, the RC may review any amendments to the legislation, rules, regulations, codes or guidelines applicable to the Company and/or the Spackman Group which fall within the purview of the RC. In the event of any conflict between the provisions of this Terms of Reference (“**TOR**”) for the RC and the provisions of the Code of Corporate Governance (the “**CG Code**”), and unless the Board resolve otherwise, the provisions of the CG Code shall prevail and the provisions of this TOR shall be deemed amended to such extent as may be necessary to remove such conflict.

2. Composition

- 2.1 The RC shall consist of at least three (3) members, all of whom are non-executive directors, and the majority of whom, including the Chairman, are independent.
- 2.2 In the event that a member of the RC retires, is removed or resigns from the Board, that member shall cease to be a member of the RC.
- 2.3 The Board may, as it so decides, remove any member from the RC.
- 2.4 Any vacancy in the RC shall be filled within three (3) months.

3. Meetings

- 3.1 The RC shall meet as frequently as it is required.
- 3.2 Any RC member or the Secretary may call a meeting of the RC. The secretary of the RC shall be the Company Secretary for the time being or, such other person as may nominated by the RC.
- 3.3 Seven (7) days, or such other shorter notice as may be agreed by the RC members, shall be forwarded to each member of the RC confirming the date, time, venue and agenda.
- 3.4 The Secretary shall attend all meetings and minute the proceedings thereof.
- 3.5 All members of the RC should have access to the advice and services of the Secretary with a view to ensuring that all applicable procedures, rules and regulations are followed.
- 3.6 The RC shall be provided with sufficient resources to perform its duties.

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- 3.7 The RC shall have access to professional advice from employees within the Spackman Group and from appropriate independent external advisers at the Company's expense. The RC may meet with these external advisers without management being present. The RC should consult the Chairman and/or Chief Executive Officer (“**CEO**”) about their remuneration proposals for other executive directors.
- 3.8 Minutes of proceedings and resolutions of RC meetings shall be kept by the Secretary. Minutes should record in sufficient detail the matters considered by the RC and decisions reached, including any concerns raised by the members or dissenting views expressed. Draft and final versions of minutes should be sent to all RC members for their comment and records respectively, within a reasonable time after the RC meeting is held.

4. Quorum and Voting

- 4.1 A quorum will comprise any two (2) RC members. In the absence of the RC Chairman or his appointed delegate, the members shall elect one of their members as Chairman for that meeting. All decisions at any meeting of the RC shall be decided by a majority of votes of the RC members present and voting (the decision of the RC shall at all times exclude the vote, approval or recommendation of any member who has a conflict of interest in the subject matter under consideration). For the avoidance of doubt, no director or any of his associates should be involved in deciding his own remuneration.
- 4.2 Each member shall have one (1) vote.
- 4.3 In the event of equality of votes, the Chairman of the RC shall have a second or casting vote.
- 4.4 A resolution in writing, signed by the requisite majority of the RC members for the time being entitled to receive notice of a meeting to the RC and vote, shall be as valid and effectual as if it had been passed at a meeting of the RC duly convened and held (the decision of the RC shall at all times exclude the vote, approval or recommendation of any member who has a conflict of interest in the subject matter under consideration). Any such resolution may consist of several documents in like form, each signed by one (1) or more members of the RC. The expressions “in writing” and “signed” include approval of any such RC member by telefax, telex, cable, telegram or electronic mail or any form of electronic communication approved by the RC members for such purpose from time to time incorporating, if the RC members deem necessary, the use of security and/or identification procedures and devices approved by the RC members.

5. Duties and Responsibilities

The RC shall perform the following duties and responsibilities:

5.1 Executive Remuneration Policy

- (a) Make recommendations to the Board on the Spackman Group's policy and structure for determining executive remuneration including the remuneration of the Chief Executive Officer and the senior management executives including heads of divisions, departments or other operating units within the Spackman Group or such individual(s) as deemed by the Board as senior management executives (thereafter, each referred to as a “**Senior Management Executive**”) and make recommendations to the Board on the establishment of a formal and transparent procedure for developing remuneration policy.
- (b) Review the on-going appropriateness and relevance of the executive remuneration policy and other benefit programmes.

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5.2 Executive Directors and Senior Management

- (a) Consider, review, determine and approve and/or vary (if necessary) the entire specific remuneration package and service contract terms for each Senior Management Executive, excluding non-executive directors, (including salaries, allowances, bonuses, payments, options, benefits in kind, retirement rights, severance packages and service contracts) having regard to the executive remuneration policy for each of the companies within the Spackman Group. The RC should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors and employment conditions elsewhere in the Spackman Group under this paragraph 5.2(a) and paragraph 5.4(a). Levels of remuneration should be sufficient to attract and retain the directors needed to run the Company successfully, but not more than is necessary. A significant and appropriate proportion of Executive Directors and Senior Management's remuneration should be linked to corporate and individual performance.
- (b) Review and approve management's remuneration proposals for Senior Management Executives with reference to the Board's corporate goals and objectives.
- (c) Review and approve termination payments, retirement payments, gratuities, ex-gratia payments, severance payments, compensation and other similar payments in connection with any loss or termination of office or appointment to Senior Management Executives, excluding non-executive Directors, to ensure that they are consistent with contractual terms and are otherwise fair and not excessive.
- (d) Review and approve compensation arrangements relating to dismissal or removal of directors (both executive and non-executive) for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate.
- (e) The Company shall obtain prior approval of its shareholders in a general meeting in respect of any service contract to be granted by the Company or any of its subsidiaries to any director or proposed director of the Company or any of its subsidiaries which:
 - (i) is for a duration that may exceed three (3) years; or
 - (ii) in order to entitle the Company to terminate the contract, expressly requires the Company to give a period of notice of more than one (1) year or to pay compensation or make other payments equivalent to more than one (1) year's emoluments.

The RC shall form a view in respect of such contracts and advise as to whether such contracts are in the interests of the Company and its shareholders as a whole and advise shareholders on how to vote.

5.3 Equity Based Plans

- (a) Review and approve the design of all option plans, stock plans and/or other equity based plans.
- (b) For each equity based plan, determine each year whether awards will be made under that plan.
- (c) Review and approve each award as well as the total proposed awards under each plan in accordance to the rules governing each plan, including awards to directors and each Senior Management Executive.
- (d) Review, approve and keep under review performance hurdles and/or fulfillment of performance hurdles for each equity based plan.

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5.4 Non-Executive Director Remuneration

- (a) Make recommendations to the Board on the remuneration (including directors' fees) for non-executive directors on the relevant boards of directors within the Spackman Group.
- (b) Make recommendations to the Board on the Spackman Group's policy and structure for all non-executive directors' remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.
- (c) Review and approve management's remuneration proposals for non-executive directors with reference to the Board's corporate goals and objectives.

6. Executive and Leadership Development

- 6.1 The RC shall oversee the development of management with the aim of a continual buildup of talent and renewal of strong and sound leadership to ensure the continued success of the Spackman Group and its businesses. It shall:
- (a) approve appointment of Senior Management Executive positions and review succession plans for key positions in the Spackman Group;
 - (b) oversee the development of key executives and talented executives within the Spackman Group; and
 - (c) review and monitor the training and continuous professional development of directors and senior management.

7. Other Duties and Activities

- 7.1 The RC should report to the Board on its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.
- 7.2 The RC should report to the shareholders each year on the remuneration of directors, CEO and at least the top five (5) Senior Management Executives (who are not also directors or the CEO of the Company ("**Annual Remuneration Report**").
- 7.3 The Annual Remuneration Report should also contain details of employee share schemes, details of the remuneration of employees who are immediate family members of a director or the CEO and whose remuneration exceeds S\$50,000 annually. The RC will also review and approve any bonuses, pay increases and/or promotions for these employees. Each member of the RC shall abstain from voting on any resolutions in respect of his remuneration package or that of employees related to him.
- 7.4 In addition, the RC shall perform other duties and activities that it or the Board considers appropriate in the context of these TOR.

8. Update of Terms of Reference

- 8.1 These TOR will be subject to review by the Board from time to time.

9. Disclosure of Terms of Reference

- 9.1 These TOR will be published on the Company's website and published in the Company's Annual