



PYI Corporation Limited

(the "Company")

Terms of Reference

for the Share Repurchase Committee

1. Constitution

1.1 The Share Repurchase Committee (the "**Share Repurchase Committee**") has been established by resolution of the board of directors of the Company (the "**Board**") on 8 November 2005 and is to be known as the Share Repurchase Committee.

2. Membership

2.1 The members of the Share Repurchase Committee, including an alternate to any member, shall be appointed by the Board from time to time, and shall comprise at least one independent non-executive director and one executive director.

2.2 The Chairman of the Share Repurchase Committee shall be appointed by the Board. If the Chairman is not present at any meeting of the Share Repurchase Committee, the other members of the Share Repurchase Committee may choose another member, including the alternate to an absent member, who is present to act as chairman for that meeting.

2.3 The Share Repurchase Committee may invite the other directors of the Company, members of senior management (being 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 Rules Governing of the Listing of Securities on The Stock Exchange of Hong Kong Limited) or other third parties to advise and/or to join meetings of the Share Repurchase Committee notwithstanding that they are not members of the Share Repurchase Committee, but no such invitees shall be entitled to vote at meetings of the Share Repurchase Committee.

3. Secretary

3.1 Unless the Board determines otherwise, the Company Secretary shall serve as the secretary of the Share Repurchase Committee.

4. Responsibilities

- 4.1 The Share Repurchase Committee shall be responsible for considering, formulating and implementing proposals by the Company for repurchase of its shares.
- 4.2 The Share Repurchase Committee shall have regard to and act in accordance with the Code on Share Repurchases, the requirements of the Rules Governing of the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company's Bye-laws and any other applicable law of the Company's place of incorporation and/or existence in carrying out its duties specified above.

5. Authority

- 5.1 The Share Repurchase Committee is authorised by the Board at the expense of the Company to do all things necessary or desirable in the performance of the responsibilities within its terms of reference. It is authorised to seek any information it requires from any employee or officers of the Company in order to perform its duties, and all employees and officers are directed to co-operate with any requests made by the Share Repurchase Committee.
- 5.2 The Share Repurchase Committee is authorised by the Board to obtain external professional advice at the expense of the Company and to secure the attendance of third parties with relevant experience and expertise at meetings of the Share Repurchase Committee if it considers this necessary.
- 5.3 These terms of reference may be amended from time to time as required, subject to approval by the Board.

6. Quorum

- 6.1 A quorum shall be two members. A duly convened meeting of the Share Repurchase Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Share Repurchase Committee.

7. Proceedings

- 7.1 Save as provided herein, meetings and proceedings of the Share Repurchase Committee will be governed, mutatis mutandis, by the Company's Bye-Laws regulating the meetings and proceedings of directors.

- 7.2 Meetings of the Share Repurchase Committee may be convened by the Company Secretary or by any member of the Share Repurchase Committee. Unless otherwise agreed, notice (either in writing or by telephone or by facsimile or electronic transmission or other similar means or in such other manner as the Share Repurchase Committee may from time to time determine) of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and supporting papers (if any), shall be sent to each member of the Share Repurchase Committee, where practicable, not later than 24 hours prior to the date of the meeting but the Share Repurchase Committee may meet on shorter notice where necessary.
- 7.3 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.
- 7.4 Resolutions of the Share Repurchase Committee at any meetings shall be passed by a simple majority of votes of the members present.
- 7.5 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 Share Repurchase Committee duly convened and held.
- 7.6 The Company Secretary or any other person as appointed by the Share Repurchase Committee shall record the proceedings and resolutions of meetings of the Share Repurchase Committee and shall circulate the minutes of such meetings to all members of the Share Repurchase Committee and, following approval of such minutes by the Chairman, to all members of the Board.