

**TERMS OF REFERENCE FOR THE COMPLIANCE COMMITTEE OF  
SOHO CHINA LIMITED  
(THE “COMPANY”)**

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**Definitions**

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

*Audit Committee* means the audit committee of the Board established by the resolution of the Board.

*Board* means the board of Directors.

*Company Secretary* means the company secretary of the Company.

*Compliance Committee* means the compliance committee of the Board established by the resolution of the Board in accordance with clause 2 of these Terms.

*Directors* means the directors of the Company.

*Group* means the Company and its subsidiaries and associated companies at the relevant time or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries and associated companies, the present subsidiaries and associated companies of the Company or the businesses operated by its present subsidiaries and associated companies or (as the case may be) its predecessor.

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

*Senior Management* means the chairman, vice chairman (if any), chief executive officer, chief financial officer, chief operational officer, Company Secretary and any other senior officers of the Company appointed by the Board from time to time.

*Shareholder(s)* means the shareholder(s) of the Company.

*Stock Exchange* means The Stock Exchange of Hong Kong Limited.

*PRC* means the People’s Republic of China.

**Constitution**

2. The Board hereby resolves to establish a committee of the Board to be known as the Compliance Committee.

## **Membership**

3. The Compliance Committee shall be appointed by the Board and shall consist of four (4) members, comprising two (2) independent non-executive Directors, one (1) executive Director and one (1) Senior Management personnel as may be appointed by the Board.
4. The chairman of the Compliance Committee shall be appointed by the Board and shall be an independent non-executive Director.

## **Attendance at meetings**

5. A quorum will comprise two (2) members of the Compliance Committee, of which one (1) member shall be an independent non-executive Director. The chairman of the Compliance Committee shall be the chairperson of the meeting. If the chairman of the Compliance Committee does not attend any meeting of the Compliance Committee, the other independent non-executive Director shall be the chairperson of the meeting.
6. The contemporaneous linking together by telephone or other electronic means of a sufficient number of members to constitute a quorum constitutes a meeting of the Compliance Committee.
7. However, at least once a year the Chairman of the Compliance Committee shall meet with the compliance advisers of the Company, external legal advisers and internal legal team, if any, without the executive Directors present.
8. The Company Secretary shall be the secretary of the Compliance Committee.
9. The Compliance Committee may invite representatives from the Company's internal legal team, external legal advisers, compliance advisers or such other persons to attend its meeting as it considers appropriate.

## **Frequency of meetings**

10. Meetings shall be held once a year. In addition, the chairman of the Compliance Committee may call a meeting if so requested by any of its members.

## **Annual General Meeting**

11. The chairman of the Compliance Committee shall attend the Company's annual general meeting and be prepared to respond to any Shareholder's question on the Compliance Committee's activities.

## **Authority**

12. Each of the independent non-executive Directors, as a member of the Compliance Committee, is authorised by the Board to investigate any activity within these terms of reference. It is authorised to interview (without other Senior Management being present), and to seek any information it requires from, any employees, auditors (external and internal) and/or external advisers, who are directed to cooperate with any request made by the Compliance Committee.
13. All employees of the Group shall have the right (and be made aware of the right) to raise matters confidentially with any member of the Compliance Committee and shall be protected by the Board against any unfair treatment as a consequence of such raising of legitimate matters.
14. As members of the Compliance Committee, the independent non-executive Directors are authorised by the Board to obtain outside independent professional advice with the costs to be borne by the Company and to secure the assistance of outsiders with relevant experience and expertise if they consider necessary for fulfilling their responsibilities. The independent non-executive Directors should be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external advisers who advises them and/or the Compliance Committee.

## **Duties**

15. The Compliance Committee shall consider any matters relating to the internal control system and corporate governance of the Group that it determines to be appropriate or any other matters referred to it by the Board.
16. The duties of the Compliance Committee shall include:
  - (a) assisting the Company carrying out its responsibilities as required by all applicable laws and regulations of the PRC, Hong Kong, Cayman Islands and any other jurisdictions as may be applicable, including but not limited to the Listing Rules;
  - (b) conducting investigations on compliance matters as delegated by the Board or on its own initiative, and considering any findings;
  - (c) reviewing arrangements by which employees of the Company may, in confidence, raise concerns about possible improprieties and ensuring that proper arrangements are in place for the fair and independent investigation of such matters and for appropriate follow-up actions;
  - (d) reviewing and making proposals for improving the internal control procedures of the Company;
  - (e) overseeing the maintenance, development and enhancement of the internal control framework of the Company;

- (f) reviewing and monitoring the compliance and internal control environment of the Group, and devise mechanism and procedures;
- (g) making recommendations to the Board to improve the compliance environment and effectiveness of internal control of the Group;
- (h) reviewing the Company's policies and practices on corporate governance and the regular reports prepared by the internal control manager of the Company to the Board and requesting the internal control manager to prepare specific reports on particular issues;
- (i) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements and setting up management mechanisms for legal and compliance guidance (including the establishment of systems to review and make recommendations on legal and compliance procedures) and training to the Group (including training and continuous professional development of Directors and Senior Management);
- (j) reporting to the Audit Committee whenever requested by the Audit Committee;
- (k) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (l) reviewing the Company's compliance with the code and disclosure in the Corporate Governance Report.

17. The duties of the Compliance Committee shall also include:

- (a) making recommendation to the Board on the appointment, reappointment and removal of the compliance adviser, and to approve their remuneration and terms of engagement, and to consider any questions of its resignation;
- (b) reviewing and monitoring the compliance adviser's independence and objectivity;
- (c) developing and implementing policy on the engagement of an external law firm or other external adviser(s) to identify and resolve any compliance issues in respect of which it considers that action or improvement is needed and making recommendations to the Board as to the steps to be taken;
- (d) discussing issues identified by any external advisers of the Group (in the absence of Senior Management where necessary); and
- (e) ensuring the Senior Management to resolve the issues identified.

## **Reporting procedures**

18. The chairperson of each meeting of the Compliance Committee shall communicate the findings of the Compliance Committee obtained pursuant to these Terms to the Board at the earliest scheduled Board meeting after each meeting of the Compliance Committee. Reports shall cover any matters that in the opinion of the Compliance Committee should be brought to the attention of the Board and any recommendations requiring the Board approval and/or action.
19. Full minutes of the Compliance Committee's meetings should be kept by a duly appointed secretary of the meeting (who should normally be the Company Secretary). Draft and final versions of minutes of such meetings should be sent to all members of the Compliance Committee for their comment and records respectively, in both cases within a reasonable time after such meetings.
20. Minutes, agenda and supporting papers shall be made available to any Director upon request to the Company Secretary, providing no conflict of interest exists.
21. To the extent practicable, copies of the minutes of each meeting of the Compliance Committee shall be included in the papers for the next Board meeting after each meeting of the Compliance Committee.
22. Without prejudice to the generality of the duties of the Compliance Committee set out above, the Compliance Committee shall keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on its doing so.

## **Amending the Terms of Reference**

23. The Compliance Committee shall review its terms of reference annually or otherwise as it considers necessary.
24. These Terms may be amended at any time and from time to time by a resolution of the Board.

Date: 14 September 2007

Last amended on: 14 March 2012