

**KAM HING INTERNATIONAL HOLDINGS LIMITED**

**錦興國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

*(Stock Code : 02307)*

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**REMUNERATION COMMITTEE  
TERMS OF REFERENCE**

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**Constitution**

1. The board of directors (the “**Board**”) of Kam Hing International Holdings Limited (the “**Company**”, together with its subsidiary, the “**Group**”) resolved to establish a committee of the Board to be known as the Remuneration Committee (the “**Committee**”) on 16 September 2005.

**Membership**

2. The members of the Committee shall be appointed by the Board from amongst the directors of the Company and the Committee shall consist of not less than three members, the majority of which shall be independent non-executive directors.
3. The chairman of the Committee shall be appointed by the Board and should be an independent non-executive director.

**Secretary of Committee**

4. An appropriate officer of the Company appointed by the Board shall be the secretary of the Committee.

**Attendance at meetings**

5. A quorum shall be 3 members (two of which must be the independent non-executive directors). Other Board members, apart from the Committee members, have the right to attend any Committee meetings, though they shall not be counted in the quorum.

**Frequency of meetings**

6. The Committee members may call any meetings at any time when necessary or desirable.

## **Authority**

7. The Committee is authorised by the Board to seek any necessary information which is within the Committee's scope of duties from the employees of the Group (including members of the Board).
8. The Committee is authorised by the Board to obtain outside, at the Company's expense, independent professional advice, and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary or desirable.

## **Duties**

9. The duties of the Committee shall include, but shall not be limited to the following:
  - (a) To make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management of the Group and on the establishment of a formal and transparent procedure for developing remuneration policy;
  - (b) To review and approve the management's remuneration proposals by reference to corporate goals and objectives resolved by the Board from time to time;
  - (c) Either to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management of the Group; or to make recommendations to the Board on the remuneration packages of individual executive directors and senior management of the Group, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
  - (d) To make recommendations to the Board on the remuneration of non-executive directors of the Group;
  - (e) To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
  - (f) To review and approve the compensation payable to executive directors and senior management of the Group for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
  - (g) To determine the criteria for assessing employee performance, which should reflect the Company's business objectives and corporate goals;
  - (h) To review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
  - (i) To ensure that no director of the Company or any of his/her associate is involved in deciding his/her own remuneration;

- (j) To advise shareholders on how to vote with respect to any service contracts of directors of the Company that require shareholders' approval under Rule 13.68 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and
- (k) To conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or imposed by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**Reporting procedures**

10. The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report the findings and recommendations of the Committee to the Board.

**Hong Kong, 30 March 2012**