

TAI CHEUNG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 88)

REMUNERATION COMMITTEE

TERMS OF REFERENCE

1. FUNCTIONS AND OBJECTIVES

1.1 The Board of Tai Cheung Holdings Limited (the “Company”) has resolved to establish a remuneration committee (the “Committee”) to review and recommend remuneration policy and packages of directors and senior management of the Company.

2. MEMBERSHIP

2.1 Members of the Committee shall be appointed by the Board and shall be made up of at least three members (the “Members”), the majority of whom should be independent non-executive directors (“INEDs”).

2.2 The Board shall appoint the Committee Chairman who must be an INED.

3. SECRETARY

3.1 The Secretary of the Committee shall either be the Company Secretary or his/her designate.

4. QUORUM

4.1 The quorum necessary for the transaction of business of the Committee shall be two Members.

5. MEETINGS

5.1 The Committee shall meet as and when necessary, but, at least once each year.

5.2 The meetings and proceedings of the Committee are governed by the provisions of the Bye-Laws of the Company for regulating board meetings.

5.3 The Committee may invite such other persons (e.g. chief executive and external advisers) to its meetings as it deems necessary.

5.4 Full minutes shall be kept by the Secretary of the Committee. Draft and final versions of minutes of the meetings shall be sent to all Members for their comment and records within a reasonable time after the meeting.

6. **AUTHORITY**

- 6.1 The Committee shall consult the Chairman and/or chief executive about their remuneration proposals for other executive directors.
- 6.2 The Committee is authorized by the Board to seek any remuneration related information it requires from senior management of the Company in order to perform its duties.
- 6.3 Members of the Committee will be entitled to seek independent professional advice in order to be able to perform their duties at the Company's expenses.

7. **DUTIES**

The duties of the Committee are as follows:-

- 7.1 make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- 7.2 review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 7.3 make recommendations to the Board on the remuneration packages of individual executive directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- 7.4 make recommendations to the Board on the remuneration of non-executive directors;
- 7.5 consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- 7.6 review and approve compensation payable to executive directors and senior management 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;
- 7.7 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; and
- 7.8 ensure that no director or any of his associates is involved in deciding his own remuneration.

Remarks : "senior management" should refer to the same category of persons as referred to in the Company's annual report.

The End

Approved by the Board on 4 March 2005 and last revised on 7 March 2012