



CHINA MANDARIN HOLDINGS LIMITED

中國東方實業集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 00009)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE (THE “COMMITTEE”)

Adoption Date: 21 September 2005

Revision Date: 20 March 2012

1. Membership

- 1.1 The Committee shall consist of at least three directors of China Mandarin Holdings Limited (the “Company”) appointed by the board of directors (the “Board”) of the Company from time to time. The majority of the members of the Committee should be independent non-executive directors.
- 1.2 The Board shall nominate one of the members who shall be an independent non-executive director as the chairman (the “Chairman”) of the Committee.
- 1.3 The company secretary of the Company shall act as the secretary of the Committee (the “Secretary”).

2. Frequency and proceedings of meetings

- 2.1 The Committee shall meet at least once every year. Additional meetings shall be held as the work of the Committee demands.
- 2.2 The Chairman may convene additional meetings at his discretion.
- 2.3 The quorum of a meeting shall be two members of the Committee and one of them must be an independent non-executive director. A duly convened meeting of the 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 Committee.
- 2.4 The Committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants, to advise its members.
- 2.5 Meetings of the Committee shall be summoned by the Secretary at the request of any member thereof.

* *For identification purpose only*

- 2.6 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend, at least three working days prior to the date of the meeting.
- 2.7 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 2.8 Minutes of Committee meetings shall be circulated to all members of the Committee and to all members of the Board.
- 2.9 The Committee shall report to the Board on its decisions and recommendations.

3. Authorities

- 3.1 The Committee is authorised by the Board to seek any information it requires from any staff of the Company in order to perform its duties, obtain any legal or other professional advice on any matter within these Terms of Reference and should be provided with sufficient resources to perform its duties.

4. Duties, powers and functions

The Committee shall:

- (a) 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;
- (b) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) determine, with delegated responsibility, 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;
- (d) make recommendations to the Board on the remuneration of non-executive directors;
- (e) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- (f) review and approve compensation payable to the 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;

- (g) 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
- (h) ensure that no director or any of his associates is involved in deciding his own remuneration.