

Tai Shing International (Holdings) Limited

(Incorporated in Cayman Islands with limited liability)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

Membership

1. The remuneration committee (the “Committee”) shall be appointed by the board of directors (the “Board”) of Tai Shing International (Holdings) Limited (the “Company”) from amongst the non-executive directors and shall consist of not less than three members.
2. The majority of the members of the Committee shall be independent non-executive directors of the Company.
3. The term of membership shall be governed by the provisions of the Articles of Association of the Company.
4. The appointment of the members of the Committee may be revoked, and new member can be appointed in place by resolutions passed by the Board and by the Committee.
5. No alternate committee member can be appointed.

Secretary

6. The Company Secretary shall be the secretary of the Committee.

Attendance at meetings

7. Only members of the Committee have the right to attend meetings. However, at the invitation of the Committee, other individuals such as the head of human resources and external advisers may be invited to attend for all or part of any meeting as and when appropriate.
8. Only members of the Committee are entitled to vote at the meetings.

Frequency and proceedings of meetings

9. Meetings shall be held not less than twice a year. Additional meetings shall be held as and when the Committee considers necessary.
10. The Chairman of the Committee may convene additional meetings at his discretion.
11. The quorum of a meeting shall be two independent non-executive directors.
12. Proceedings of meetings of the Committee shall be governed by the provisions of the Articles of Association of the Company.

Annual General Meeting

13. The Chairman of the Committee or another member of the Committee shall attend the Company’s annual general meeting and be prepared to answer questions on the Committee’s activities and responsibilities at the annual general meeting.

Authority

14. The Committee shall consult the Chairman of the Board and/or the Chief Executive Officer about their proposals relating to the remuneration of other executive directors and senior management.
15. The Committee is granted the authority to seek any remuneration related information it requires from the senior management of the Company in order to perform its duties.
16. The Committee is authorised by the Board to obtain outside legal or other independent professional advice if deemed required and to invite the attendance of outsiders with relevant experience and expertise if it considers necessary.
17. The Committee shall be provided with sufficient resources to discharge its duties.

Responsibility

18. The Committee is to serve as a focal point for setting policy on executive directors' remuneration and for fixing the remuneration packages for all the directors.

Duties, powers and functions

19. The Committee shall have the following duties, powers and functions:
 - (a) to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
 - (b) to have the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive directors. The Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the group and desirability of performance-based remuneration;
 - (c) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
 - (d) to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;
 - (e) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
 - (f) to ensure that no director or any of his associates is involved in deciding his own remuneration; and
 - (g) to advise shareholders on how to vote with respect to any service contracts of 'directors that require shareholders' approval under Rule 13.68 of the Listing Rules.

Reporting Procedures

20. The Committee shall report to the Board after each meeting.
21. The secretary of the Committee shall circulate draft and final versions of the minutes of meetings and all written resolutions of the Committee to all members of the Committee or their comment and records respectively (in both cases within a reasonable time after the meeting) keeping the Board informed of the Committee's activities, decisions and recommendation son a regular basis.
22. At the next meeting of the Board following a meeting of the Committee, the Chairman of the Committee shall report to the Board on the findings and recommendations of the Committee. At least annually, the Committee shall present a report to the Board which addresses the work and findings of the Committee during the year.
23. Reports to the Board and minutes of the Committee shall be approved by the Committee before submitting to the Board.