

**KARRIE INTERNATIONAL HOLDINGS LIMITED**  
(the “Company”)  
**REMUNERATION COMMITTEE**

**TERMS OF REFERENCE**

**1 Constitution**

- 1.1 The board of directors (the “**Board**”) of the Company resolved on 3 June 2005 to establish a Committee of the Board to be known as the Remuneration Committee.

**2 Membership**

- 2.1 The Remuneration Committee shall consist of a minimum of three members appointed by the Board from time to time. The majority of the Remuneration Committee shall be Independent Non-Executive Directors. A quorum shall be two members.

- 2.2 The Chairman of the Remuneration Committee shall be an Independent Non-Executive Director and shall be appointed by the Board.

**3 Secretary of the Remuneration Committee**

- 3.1 The Human Resources and Administration General Manager shall be the Secretary of the Remuneration Committee.

**4 Frequency of meetings**

- 4.1 Meetings shall be held not less than once a year.

- 4.2 All of the provisions of the Bye-laws of the Company regulating meetings and proceedings of the Board shall, mutatis mutandis, govern the meetings and proceedings of the Remuneration Committee.

- 4.3 The Remuneration Committee members may attend meetings of the Remuneration Committee either in person or through other electronic means of communication (if made available by the Company). Should any member of the Remuneration Committee wish to attend a meeting through electronic means of communication, prior arrangements shall be made with the Secretary.

- 4.4 The chairman of the Board (the “**Chairman**”) shall be in attendance with other members of the senior management of the Company if deemed appropriate and invited by the Remuneration Committee.

**5 Annual general meetings**

- 5.1 The RC Chairman shall endeavor to attend the annual general meetings of the Company and be prepared to respond to any questions of the shareholders of the Company (the “**Shareholders**”) relating to the Remuneration Committee's activities.

5.2 If the RC Chairman is unable to attend an annual general meeting of the Company, he shall arrange for another member of the Remuneration Committee, or failing this, his duly appointed delegate, to attend in his place. Such person shall be prepared to respond to any such questions.

## **6 Authority**

6.1 The Board retains authority and the Remuneration Committee acts as adviser of the Board.

6.2 The Remuneration Committee is authorised by the Board to investigate any activity within its terms of reference.

6.3 The Remuneration Committee should consult the Chairman and/or chief executive officer about their proposals relating to the remuneration of other executive directors and have access to professional advice if considered necessary.

6.4 Where the Board resolves to approve any remuneration or compensation arrangements which the Remuneration Committee has previously resolved not to approve, the Board must disclose the reasons for its resolution in its next annual report.

6.5 The Remuneration Committee should be provided with sufficient resources to discharge its duties.

6.6 Subject to the Company's procedure for seeking external advice, to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

6.7 To grant and cancel share options to persons who are eligible to participate in the Company's share option scheme, to issue appropriate letters to such persons, to administer the share option scheme in accordance with its rules and to do all other acts or things as the Remuneration Committee considers necessary or desirable in connection with, or arising from, the implementation of the scheme.

## **7 Duties**

7.1 The duties of the Remuneration Committee shall be :-

(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 remuneration 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; and
- (f) to ensure that no director or any of his associates is involved in deciding his own remuneration.

## **8 Reporting procedures**

- 8.1 Full minutes of Remuneration Committee meetings should be kept by the Secretary of the meeting. The Secretary shall circulate the draft and final versions of the minutes of meetings of the Remuneration Committee to all members of the Remuneration Committee for their comments and records respectively, in both cases within a reasonable time after the meeting. The signed minutes shall be available for inspection by all members of the Board.
- 8.2 The Remuneration Committee shall report to the Board. At the next meeting of the Board following a meeting of the Remuneration Committee, the RC Chairman shall report the findings and recommendations of the Remuneration Committee to the Board, if required.

## **9 Others**

- 9.1 The Remuneration Committee shall have access to sufficient resources in order to discharge its duties. In the event that the Remuneration Committee determines that it has insufficient resources, it may make a request for additional resources to the Board through the Secretary.
- 9.2 All members of the Remuneration Committee shall have access to the advice and services of the Secretary with a view to ensuring that procedures of the Remuneration Committee and all applicable rules and regulations are followed.
- 9.3 Every member of the Remuneration Committee shall give sufficient time and attention to his/her duties as a member of the Remuneration Committee. He/she shall give the Company the benefit of his skills and expertise through regular attendance and active participation.