



Jinhui Holdings Company Limited

金輝集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 137)

REMUNERATION COMMITTEE (the “Committee”)

Terms of Reference

(Adopted by the Board on 25 August 2005 and revised on 12 March 2012)

1. Membership

- 1.1** Members of the Remuneration Committee (“Members”) shall be appointed by the board of directors of the Company (the “Board”).
- 1.2** The Committee shall consist of not less than three members. The majority of the members of the Committee shall be independent non-executive directors.
- 1.3** The Chairman of the Committee shall be appointed by the Board and shall be an independent non-executive director.

2. Attendance at Meetings

- 2.1** At the invitation of the Committee, directors, external advisors and other persons may attend all or part of any meetings.
- 2.2** Only Members are entitled to vote at the meetings.

3. Meetings

- 3.1** The Committee shall meet at least once a year.
- 3.2** The Chairman of the Committee may convene additional meetings at his discretion.

- 3.3** The quorum of a meeting shall be two Members, one of whom must be an independent non-executive director. In the event of an equality of votes, the Chairman of the Committee shall be entitled to a second or casting vote.
- 3.4** The Committee may, from time to time, invite advisors to attend the meetings, including but not limited to external professional advisors or consultants to advise its members.
- 3.5** Meetings could be held in person or through other electronic means. The Members may participate in a meeting via telephone or any similar communication device and a member participating in such a meeting by any such means is deemed to be present at that meeting.
- 3.6** Resolutions of the Committee at any meetings shall be passed by a majority of votes of the Members present. The resolution passed and signed by all Members is valid, and the validity is same as any resolution passed in the meeting held.
- 3.7** The secretary of the Committee shall be appointed by the Committee and shall keep full minutes of the Committee meetings. Minutes of the meetings shall be sent to all Members for their records within a reasonable time after the meeting.

4. Authority

- 4.1** The Committee shall consult the Chairman of the Board and/or Managing Director about their remuneration proposals for other executive directors and senior management.
- 4.2** The Committee is authorized to seek any information it requires from any employee or director of the Company in order to perform its duties.
- 4.3** In connection with its duties, the Committee is authorized to obtain advice from any person, including independent professional consultants, whom it regards as competent to give such advice.
- 4.4** The Committee shall be provided with sufficient resources to perform its duties.

5. Responsibility and Duties

The Committee shall have the following duties:

- 5.1** To 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.
- 5.2** To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.
- 5.3** To make recommendations to the Board on the remuneration packages of individual executive directors and senior management. This should include salaries, bonuses, benefits in kind and the terms on which they participate in any share or other incentive scheme and any provident fund or other retirement benefit scheme.
- 5.4** To make recommendations to the Board on the remuneration of non-executive directors.
- 5.5** To consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the group.
- 5.6** To 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.
- 5.7** 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.
- 5.8** To ensure that no director or any of his associates is involved in deciding his own remuneration.
- 5.9** To advise shareholders on how to vote with respect to any service contracts of directors that require shareholders' approval under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

- 5.10** The Chairman of the Committee or (in his absence) the other member of the Committee (should be an independent non-executive director) should attend the annual general meeting of the Company, and be available to handle the shareholders' enquiries on the activities and responsibilities related to the Committee.

6. Reporting Procedures

- 6.1** The Committee shall report to the Board on a regular basis, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations as to the steps to be taken.
- 6.2** At the next meeting of the Board following a meeting of the Committee, the Chairman of the Committee shall report to the Board on findings and recommendations of the Committee.

7. Publication and Update of the Terms of Reference

- 7.1** These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements.
- 7.2** These terms of reference, explaining the role of the Committee and the authority delegated to it by the Board, shall be made available to the public by including the information on the Hong Kong Stock Exchange's and the Company's websites.