

CHEONG MING INVESTMENTS LIMITED
(the “Company”)
TERMS OF REFERENCE
OF
REMUNERATION COMMITTEE
(the “Committee”)

Membership

1. The Committee shall consist of three independent non-executive directors and one executive director appointed by the board of directors (“the Board”) of the Company from time to time.
2. The Board shall nominate one of the four members as the chairman of the Committee.
3. The company secretary of the Company shall act as the secretary of the Committee.

Frequency and proceedings of meetings

4. The Committee shall meet at least once every year. Additional meetings shall be held as the work of the Committee demands.
5. The chairman of the Committee may convene additional meetings at his discretion.
6. The quorum of a meeting shall be two members of the Committee and shall be present throughout the meeting.
7. 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.
8. The provisions contained in the Bye-laws of the Company for regulating the proceedings of meetings of the Board shall apply, mutatis mutandis, to the Committee.

Duties, power and functions

9. The Committee shall –
 - (a) Formulate remuneration policy for approval by the Board, which shall take into consideration factors such as salaries paid by comparable companies, employment conditions, responsibilities, and individual performance of the directors, senior management, and the general staff. Performance shall be measured against corporate goals and objectives resolved by the Board from time to time; and implement the remuneration policy laid down by the Board;

(b) without prejudice to the generality of the foregoing:

- I. establish guidelines for the recruitment of senior management of the Company.
- II. Recommend to the Board the policy and structure for the remuneration of all executive directors and senior management whilst ensuring no executive director or any of his associates is involved in deciding his own remuneration;
- III. determine independently the remuneration of all executive directors and senior management, including benefits in kind, pension right, compensation payment (including compensation for loss of office or appointment etc). The chairman of the Company shall be consulted respectively about their proposals relating to the remuneration of the senior management, as the case may be;
- IV. review and approve the compensation arrangements in connection with any loss or termination of their office or appointment, or dismissal or removal for misconduct to all executive directors and senior management which shall be fair and not excessive;
- V. determine the criteria for assessing employee performance, which should reflect the Company's business objectives and targets;
- VI. consider the annual performance bonus for all executive directors, senior management and general staff, having regard to their achievements against the performance criteria and by reference to market norms, and make recommendation to the Board;
- VII. engage such external professional advisors to assist and/or advise the Committee on issues as it considers necessary;
- VIII. do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- IX. conform to any requirement, discretion, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation.

Reporting Procedures

10. The Committee shall report the findings and recommendations to the Board. The secretary of the Committee shall circulate the minutes of meetings of the Committee to all members of the Board.

Amendments

11. The Board may from time to time amend, repeal and/or re-enact all and any part of these terms of reference.