



le saunda holdings ltd.

利信達集團有限公司

(Incorporated in Bermuda with limited liability)

Remuneration Committee Terms of Reference

Revised on 19 March 2012

1 Constitution

The board (the “**Board**”) of directors of Le Saunda Holdings Limited (the “**Company**”) hereby constitutes and establishes a remuneration committee (the “**Remuneration Committee**”) with authority, responsibility, and specific duties as described below.

2 Membership

- 2.1 Members of the Remuneration Committee shall be appointed by the Board in consultation with the Chairman of the Remuneration Committee. The Remuneration Committee shall be made up of at least 3 members, a majority of whom shall be independent non-executive directors.
- 2.2 The members of the Remuneration Committee shall be identified in the Board’s remuneration report to the shareholders of the Company.
- 2.3 The Board shall appoint the Remuneration Committee Chairman who must be an independent non-executive director and who shall chair meetings of the Remuneration Committee. In the absence of the Remuneration Committee Chairman and/or an appointed deputy at a meeting, the remaining members present shall elect one of themselves to chair the meeting. The Chairman of the Board shall not be Chairman of the Remuneration Committee.
- 2.4 Each member of the Remuneration Committee shall disclose to the Remuneration Committee:
 - 2.4.1 any personal financial interest (other than as a shareholder) in any matter to be decided by the Remuneration Committee;
 - 2.4.2 any potential conflict of interest arising from a cross-directorship; or
 - 2.4.3 any such member shall abstain from voting on resolutions of the Remuneration Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Remuneration Committee.

3 Secretary

The Company Secretary of the Company or his nominee shall act as the Secretary of the Remuneration Committee.

4 Quorum

The quorum necessary for the transaction of business shall be 2. A duly convened meeting of the Remuneration 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 Remuneration Committee.

5 Notice of Meetings

- 5.1 Meetings of the Remuneration Committee shall be summoned by the Secretary of the Remuneration Committee at the request of any of its members.
- 5.2 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 Remuneration Committee, any other person required to attend, no later than 5 working days before the date of the meeting. Supporting papers shall be sent to Remuneration Committee members and to other attendees as appropriate, at the same time.

6 Authority

- 6.1 The Remuneration Committee is authorised by the Board to investigate any activity within this terms of reference. It is authorised to seek any information it requires from any employee, and all employees are directed to co-operate with any request made by the Remuneration Committee.
- 6.2 The Remuneration Committee is authorised by the Board to consult the Chairman or the Chief Executive of the Company about their remuneration proposals for other executive directors.
- 6.3 The Remuneration Committee shall be provided with sufficient resources to discharge its duties. In particular, the Remuneration Committee shall be authorised to obtain any outside legal or other independent professional advice at the Company's expense if considered necessary.
- 6.4 The Remuneration Committee is authorised by the Board to review and approve the management's remuneration proposals with reference to the board's corporate goals and objective.
- 6.5 The Remuneration Committee is authorised by the Board to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management.

7 Duties

The Remuneration Committee shall:

- 7.1 make recommendations to the Board the framework or broad policy and structure for the remuneration of the Company's Chief Executive, Chairman, the executive directors, the Company Secretary and such other members of senior management as it is designated to consider. No director or manager or any of their respective associates (as defined under the Listing Rules) shall be involved in any decisions as to their own remuneration. The remuneration of a non-executive director who is a member of the Remuneration Committee shall be a matter for the other members of the Remuneration Committee;
- 7.2 make recommendations to the Board on the establishment of a formal and transparent procedure for developing such policy;
- 7.3 in determining such policy, take into account all factors which it deems necessary. The objective of such policy shall be to ensure that members of senior management are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
- 7.4 within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive as appropriate, determine the total individual remuneration package of each executive director and member of senior management including benefits in kind, pension rights, bonuses, incentive payments, share options or other share awards and compensation payments, including any compensation payable for loss or termination of their office or appointment;

- 7.5 in determining such packages and arrangements, give due regard to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group, any relevant legal requirements, the provisions and recommendations in the Code on Corporate Governance Practices, the Listing Rules and associated guidance;
- 7.6 make recommendations to the Board of the remuneration of non-executive directors;
- 7.7 review the ongoing appropriateness and relevance of the remuneration policy;
- 7.8 review and approve the design of, and determine targets for, any performance related pay schemes operated by the Company for Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time and approve the total annual payments made under such schemes;
- 7.9 review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors and other members of senior management and the performance targets to be used;
- 7.10 determine the policy for, and scope of, pension arrangements for each executive director and members of senior management;
- 7.11 ensure that contractual terms on termination of service for Directors and senior management, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 7.12 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;
- 7.13 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;
- 7.14 review and note annually the remuneration trends across the Company or the Group;
- 7.15 oversee any major changes in employee benefits structures throughout the Company or the Group;
- 7.16 ensure that all provisions regarding disclosure of remuneration including pensions, as set out in the Code on Corporate Governance Practices and other applicable law and regulations are fulfilled;
- 7.17 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Remuneration Committee and to obtain reliable, up-to-date information about remuneration in other companies. The Remuneration Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations; and
- 7.18 advise shareholders on how to vote with respect to any service contracts of directors that require shareholders' approval under the Listing Rules.

8 Frequency of meetings

The Remuneration Committee shall meet at least once a year and at such other times as the Chairman of the Remuneration Committee shall require.

9 Attendance

- 9.1 Only members of the Remuneration Committee have the right to attend Remuneration Committee meetings. However, other individuals such as the Chief Executive, the head of human resources and external advisers may be invited to attend for all or part of any meeting as and when appropriate.
- 9.2 As necessary or desirable, the Chairman may request that members of management be present at the meeting of the Remuneration Committee.
- 9.3 Meetings may be held by way of telephone or video conference.

10 Minutes

- 10.1 The Secretary of the Remuneration Committee shall minute the proceedings and resolutions of all Remuneration Committee meetings, including the names of those present and in attendance.
- 10.2 Draft and final versions of minutes of the Remuneration Committee meetings shall be sent to all members of the Remuneration Committee for their comment and records respectively in both cases within a reasonable time after the meeting.
- 10.3 Full minutes of the Remuneration Committee shall be kept by the Secretary of the Remuneration Committee and such minutes shall be open for inspection at any reasonable time on reasonable notice by any Director.

11 Reporting Responsibilities

- 11.1 The Remuneration Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2 The Remuneration Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

12 Annual General Meeting

The Chairman of the Remuneration Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Remuneration Committee's activities.

13 General

- 13.1 The Remuneration Committee should make available these terms of reference, explaining its role and the authority delegated to it by the Board.
- 13.2 The Remuneration Committee shall regularly review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

14 Senior Management

For the purposes of this document, "senior management" shall mean those employees or officers who are determined by the Board to constitute senior management of the Group, these may include directors of subsidiaries of the Company, heads of divisions, departments or other operating units within the Group as, in the opinion of the Board, is appropriate. (The members of the Senior Management must be the same as those disclosed in the latest Annual Report of the Company).

15 Language

This document is drawn up in both English language and Chinese language. If there is any inconsistency between the English version and the Chinese version of this document, the English language text shall prevail.