



KH INVESTMENT HOLDINGS LIMITED
嘉 滙 投 資 控 股 有 限 公 司*

(the "Company")
(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 8172)

TERMS OF REFERENCE

OF

REMUNERATION COMMITTEE

(the "Committee")
(Adopted on 26 March 2012)

Membership

1. The Committee shall consist of at least three members with a majority of independent non-executive directors appointed by the board of directors (the "Board") from time to time.
2. The Board shall nominate an independent non-executive director as the chairman of the Committee.
3. The Company Secretary or any other person appointed by the Committee from time to time 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.

** For identification purpose only*

7. The Committee may, from time to time, invite independent professional advisors to the meeting, including but not limited to external advisors or consultants to advise its members.

8. Proceedings of meetings of the Committee shall be governed by the provisions in the Bye-laws of the Company.

Duties, powers 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 elsewhere in the company and its subsidiaries (the "Group"), time commitment and responsibilities of the directors and senior management;

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

(i) recommend to the Board the policy and structure for the remuneration of all directors and senior management whilst ensuring no director or any of his associates is involved in deciding his own remuneration;

(ii) make recommendation to the board on the remuneration of non-executive director;

(iii) determine , with the delegated responsibility and the remuneration packages of executive directors, and senior management, including benefits in kind, pension right and compensation payment (including compensation for loss of office or appointment etc). The Chairman and/or the Chief Executive of the Company shall be consulted respectively about their proposals relating to the remuneration of other executive directors and/or senior management, as the case may be;

(iv) review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure it is consistent with contractual terms and is otherwise fair and not excessive;

(v) review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure they are consistent with contractual terms and are otherwise reasonable and appropriate;

(vi) determine the criteria for assessing performance of directors and senior management, which should reflect the Company's business objectives and targets;

(vii) consider the annual performance bonus for executive directors and senior management, having regard to their achievements against the performance criteria and by reference to market norms, and make recommendation to the Board;

(viii) do any things necessary to enable the Committee to discharge its powers and functions conferred on it by the Board; and

(ix) comply with any requirement, direction and regulation that may from time to time prescribed by the Board or contained in the constitution of the Company or imposed by legislation or set out in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of the Hong Kong Limited.

Reporting Procedures

10. The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report the findings and recommendations of the Committee to the Board.

Publication of terms of reference

11. The Committee should make available its terms of reference explaining its role and the authority delegated to it by the Board by including them on the Company and The Stock Exchange of Hong Kong Limited's website.

- END -