

MASCOTTE HOLDINGS LIMITED

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1. Constitution

- 1.1 The Board ("Board") of Directors ("Directors") of Mascotte Holdings Limited (the "Company") resolved to establish a Remuneration Committee (the "Committee") on 9th July 2005. The Terms of Reference were subsequently revised by the Board on 28th March 2012 pursuant to a Board resolution dated 28th March 2012.

2. Membership

- 2.1 Members of the Committee shall be appointed by the Board. The Committee shall be made up of at least 3 members ("Members"), a majority of which are independent non-executive Directors.

The Board shall appoint a Chairman for the Remuneration Committee (the "Committee Chairman") who shall be an independent non-executive Director. In the absence of the Committee Chairman, the remaining Members present shall elect one of their Members to chair the meeting.

3. Secretary

- 3.1 The Company secretary or his/her nominee shall act as the secretary of the Committee.
- 3.2 The Committee may from time to time appoint any other person with appropriate professional qualification and relevant experience as the secretary of the Committee.

4. Quorum

- 4.1 The quorum necessary for the transaction of business shall be two. If only two Members are present in any meeting of the Committee, at least one Member must be an independent non-executive Director. A duly convened meeting of the 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 Committee.

4.2 Members may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.

4.3 Resolutions of the Committee at any meetings shall be passed by a majority of votes of the Members present.

4.4 A resolution in writing signed by all the Members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

5. Meetings

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

6. Notice of Meetings

6.1 Meetings of the Committee shall be convened by the secretary of the Committee at the request of any of its Members.

6.2 Notice of any meetings has to be given at least 14 days prior to any such meeting being held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a Member shall be deemed waiver of the requisite length of notice by the Member. Supporting papers shall be sent to Committee Members and to other attendees as appropriate at least 3 days in advance of the meeting (or other agreed period).

7. Minutes of Meetings

7.1 Minutes of the Committee should record in sufficient detail regarding the matters considered by the Committee and decisions reached, including any concerns raised by any Member of the Committee or dissenting views expressed. Draft and final version of minutes of the Committee meetings

should be sent to all Members of the Committee for their comment and records respectively, in both cases within a reasonable time after the meeting is held.

- 7.2 Minutes of the Committee meetings shall be kept by the secretary of the Committee and shall be made available for inspection by any Member of the Committee and/or any Director of the Company at any reasonable time and on reasonable notice.

8. Duties

- 8.1 The duties of the Committee shall comprise the following:
- (a) 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;
 - (b) to review and approve the management's remuneration proposals by reference to the Board's corporate goals and objectives;
 - (c) to determine, with delegated responsibility the remuneration packages of individual executive Directors and senior management or to make recommendations to the Board on the remuneration of individual executive Directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
 - (d) to make recommendations to the Board on the remuneration of the non-executive Directors;
 - (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
 - (f) 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 for the Company;

- (g) to 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;
- (h) to ensure that no Director or any of his associates is involved in deciding his own remuneration;
- (i) to advise shareholders on how to vote with respect to any service contracts of Directors that require shareholders' approval under rule 13.68 of the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong ("Listing Rules");
- (j) to consult the Chairman and/or the chief executive officer of the Company about their proposals relating to the remuneration of other executive Directors and senior management; and
- (k) to ensure proper disclosure of the Director's remuneration in the annual report of the Company in accordance with the accounting principles and the Listing Rules; and
- (l) to address and deal with such other matters as may be delegated by the Board to the Committee.

NOTE: "senior management" in this paragraph 8 should refer to the same category of persons as referred to in the Company's annual report and is required to be disclosed under paragraph 12 of Appendix 16 to the Listing Rules.

9. Reporting Responsibilities

- 9.1 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 Committee Chairman shall report the findings and recommendations of the Committee to the Board.
- 9.2 The Committee Chairman or a Member of the Committee shall attend the Company's Annual General Meeting and be prepared to respond to shareholders' questions on the Committee's activities and their responsibilities.

9.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

10. Authority

10.1 The Committee should have access to independent professional advice (including but not limited to legal advice) at the Company's expense if necessary;

Note: Arrangement to seek professional advice shall be made through the Company's Secretary.

10.2 Management shall be obliged to supply to the Committee with adequate information in a timely manner to enable it to make informed decisions. The information supplied must be complete and reliable.

10.3 The Committee shall have access to sufficient resources and is authorized by the Board to seek any information it requires from any employee of the Company or its subsidiaries in order to perform its duties and all employees are directed to co-operate with any request made by the Committee.