

TAI PING CARPETS INTERNATIONAL LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 146)



TAI PING

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

Adoption Date : 23 September 2005

First Revision Date : 29 March 2012

Terms of Reference of the Remuneration Committee of Tai Ping Carpets International Limited (the “Company”) are as follows:

- (a) to make recommendations to the board of directors (the “Board”) of the Company 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 with 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. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination for their office or appointment;
- (d) to make recommendations to the Board on the remuneration of 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;
- (g) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they consistent with contractual terms and are otherwise reasonable and appropriate; and

- (h) to ensure that no director or any of his associates is involved in deciding his own remuneration.

Composition of the Remuneration Committee is as follows:

Mr. Roderic N. A. Sage#	Independent Non-executive Director
Mrs. Yvette Y. H. Fung	Independent Non-executive Director
Mr. David C. L. Tong	Non-executive Director

#Chairman of the Remuneration Committee

Hong Kong, 30 March 2012