

## **KADER HOLDINGS COMPANY LIMITED**

### **REMUNERATION COMMITTEE TERMS OF REFERENCE**

The Board of Directors (“the Board”) of Kader Holdings Company Limited (“the Company”) hereby constitutes and establishes a remuneration committee (“the Committee”) with authority, responsibilities and duties as described below.

#### **Membership**

The Committee shall be appointed by the Board from amongst the directors of the Company. The Committee shall consist of not less than three directors provided that a majority of the members of the Committee should be independent non-executive directors. A quorum shall be three members, at least two of them being independent non-executive directors. The Chairman of the Committee shall be the Managing Director provided that his vote cannot be counted when the Committee is deciding on the remuneration of the Managing Director.

#### **Authority**

The Committee is authorized by the Board to make such recommendations and/or decision within its terms of reference. The Committee should consult the Chairman of the Company and/or the Managing Director about their proposals relating to the remuneration of other executive directors and is authorized by the Board to obtain outside legal or other independent professional advice as necessary to assist the work of the Committee. The Company should provide the Committee with sufficient resources to discharge its duties.

#### **Meetings**

The Committee shall meet at least once a year. Additional meetings should be held as the Committee deems fit.

#### **Reporting and Minutes**

The Committee shall report to the Board on their recommendations and/or decisions.

The Company Secretary shall be the secretary of the Committee and prepare minutes of each meeting of the Committee and send the same to all the members of the Committee for their comments within a reasonable time after each meeting. Upon receipt of the comments (if any) from members of the Committee, the secretary of the Committee shall finalize the minutes and send the same within a reasonable time to every member of the Committee and to all other members of the Board for their records.

## **Committee Duties**

The duties of the Committee shall be:

- (a) To make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;

Note:

*For the purpose of this terms of reference, "senior management" 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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.*

- (b) To have the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive directors. The Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the group and desirability of performance-based remuneration;
- (c) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- (d) To review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;
- (e) To review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate; and
- (f) To ensure that no director or any of his associates is involved in deciding his own remuneration.

Adopted on : 12<sup>th</sup> April 2005