

Terms of Reference for Remuneration Committee

(Approved by the Board on 23 March 2012)

Constitution

1. The board of directors of Lee Kee Holdings Limited (the “**Company**”) (the “**Board**”) has resolved has resolved the establishment of the Remuneration Committee on 15 September 2006.

Objectives

2. The Remuneration Committee shall review and recommend/determine the terms of remuneration packages, bonuses and other compensation payable to the directors and senior management by reference to paragraph 15 below.

Membership

3. The members of the Remuneration Committee shall be appointed by the Board from time to time and a majority of which shall be independent non-executive directors.
4. The chairman of the Remuneration Committee shall be appointed by the Board and must be an independent non-executive director.
5. 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.
6. Appointments to the Remuneration Committee shall be for a period of up to two years which may be extended by the Board.

Secretary

7. The Secretary of the Company will act as the secretary of the Remuneration Committee.

Quorum

8. The quorum necessary for the transaction of business shall be two, at least one of which must be an independent non-executive director of the Company. 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.

Meetings

9. The Remuneration Committee shall meet at least once a year. The Board or member of the Remuneration Committee may request a meeting if they consider necessary.

Notice of Meetings

10. Meetings of the Remuneration Committee shall be summoned by the secretary of the Remuneration Committee at the request of the Board or any of its members.
11. Unless otherwise agreed, notice of meeting containing 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 three working days before the date of the meeting. Meeting papers shall be sent to Remuneration Committee members and to other attendees as appropriate, at the same time.

Minutes of Meetings

12. The secretary shall minute the proceedings and resolutions of all Remuneration Committee meetings, including the names of those present and in attendance. All minutes shall record in sufficient details the matters considered, decisions reached or recommendations made and any concerns raised by any member including dissenting views.
13. Draft and final versions of minutes of Remuneration Committee meetings shall be circulated promptly to all members of the Remuneration Committee for their comment and records within a reasonable time after the meetings.

Annual General Meeting

14. The Chairman of the Remuneration Committee (or if he is not able to attend, his delegate who shall be a member of the Remuneration Committee) shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Remuneration Committee's activities.

Duties

15. The Remuneration Committee shall perform the following duties:
 - (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 with reference to the Board's corporate goals and objectives;
 - (c) either
 - (i) to determine, with delegated responsibility, the specific remuneration packages of individual executive directors and senior management; or
 - (ii) to make recommendations to the Board on 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 of 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 are 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.

In discharging its duties under these terms of reference, the Remuneration Committee shall take into account relevant provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other factors that it deems necessary.

Reporting Responsibilities

- 16. The Chairman of the Remuneration Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 17. The Remuneration Committee shall make whatever recommendations to the Board it deems appropriate on any area within its scope where action or improvement is needed.
- 18. The Remuneration Committee shall compile a report of the Company's remuneration policy and practices and on its activities for the Board to consider in the context of preparing the Company's annual report, if necessary.

Others

- 19. The Remuneration Committee shall review its own performance, constitution and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval, if necessary.

Authority

- 20. The Remuneration Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees will be directed to co-operate with any request made by the Remuneration Committee.

21. The Remuneration Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference and to secure the attendance of outsiders with relevant experience and expertise at meetings of the Remuneration Committee if it considers this necessary.
22. The Remuneration Committee is authorised to require the management to provide it with such resources as may be necessary for it to discharge its duties.