



PROSPERITY INVESTMENT HOLDINGS LIMITED

嘉進投資國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 310)

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

Composition and Quorum

The Remuneration Committee shall be appointed by the board of Directors (the “Board”) of Prosperity Investment Holdings Limited (the “Company”) amongst the non-executive Directors and executive Directors of the Company. A majority of the Remuneration Committee members should be independent non-executive Directors and the Chairman of the Remuneration Committee shall be an independent non-executive Director.

Members : The Committee shall consist of not less than 3 members.

Quorum : 2

The meetings and proceedings of the Remuneration Committee are governed by the provisions contained in the bye-laws of the Company for regulating meetings and proceedings of Directors.

Authority

1. 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 are directed to co-operate with any request made by the Remuneration Committee.
2. The Remuneration Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Duties

The duties of the Remuneration Committee shall be:

1. 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;

* *for identification purpose only*

2. To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
3. 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 of their office or appointment;

4. to make recommendations to the Board on the remuneration of non-executive Directors;
5. to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group;
6. 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;
7. 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;
8. to ensure that no Director or any of his associates is involved in deciding his own remuneration;
9. to consult the chairman and/or the chief executive about their remuneration proposals for other executive Directors and to have access to independent professional advice if necessary; and
10. to consider other topics as defined by the Board.

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.