

Chanco International Group Limited

(the “Company”)

Remuneration Committee - Terms of Reference

1. Constitution

- 1.1 The Remuneration Committee (the “Committee”) is established pursuant to a resolution passed by the Board of Directors (the “Board”) of the Company at its meeting held on 25 August 2005.

2. Membership

- 2.1 The members shall be appointed by the Board and shall not consist of less than three members. The majority of the Committee members must be independent non-executive directors.
- 2.2 A quorum shall be two members and one of them must be independent non-executive director.
- 2.3 The chair of the Committee shall be appointed by the Board and should be an independent non-executive director and in his absence, members present may elect any member (who must be an independent non-executive director) to chair a committee meeting.
- 2.4 The Company Secretary or his/her delegate or such other person appointed by the chair shall be the secretary of the Committee.

3. Frequency of meetings

- 3.1 Meetings shall be held at least once a year. Additional meetings should be held if the Committee shall so request.

4. Notice

- 4.1 Notice of any meetings of the Committee has to be given at least 7 days prior to any such meeting being held, unless all Committee members unanimously waive such notice.

5. Minutes

- 5.1 Full minutes of the Committee meetings should be kept by a duly appointed secretary of the meeting (who should normally be the company secretary). Draft and final versions of minutes of the meetings should be sent to all committee members for their comment and records within a reasonable time after the meeting.

6. Authority

- 6.1 The Committee is authorised by the Board to consult the chairman and/or the chief executive officer about their proposals relating to the remuneration of other executive directors and senior management.
- 6.2 The Committee is authorised to obtain independent external professional advice and to secure assistance from external parties with relevant experience and expertise where it considers necessary. The Committee shall have the sole authority to approve all reasonable related fees and terms of engagement.
- 6.3 The Committee shall be provided with sufficient resources to discharge its duties.

7. Duties

- 7.1 The duties of the Committee shall be:
- (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 management's remuneration proposals with reference to the Board's corporate goals and objectives;
 - (c) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management. The remuneration package should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office of 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 the 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;
 - (h) to ensure that no director or any of his associates is involved in deciding his own remuneration; and
 - (i) to review from time to time as appropriate these Terms of Reference and recommend to the Board any necessary changes.
 - (j) to consider other topics or matters, as defined by the Board.