

TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED

謝瑞麟珠寶(國際)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 417)

REMUNERATION COMMITTEE

TERMS OF REFERENCE

Constitution

1. The Remuneration Committee (the “Committee”) was established by the board of directors (the “Board”) of Tse Sui Luen Jewellery (International) Limited (the “Company”) on 27 March 2002 pursuant to Bye-law 120 of the Company’s Bye-laws.

Membership

2. The members of the Committee should be appointed by the Board and should consist of not less than three members, a majority of whom should be independent non-executive directors.
3. The Chairman of the Committee shall be elected by and amongst the members of the Committee.
4. The quorum of the Committee shall be at least two members.

Secretary

5. The Company Secretary of the Company shall be the secretary of the Committee. In the absence of the Company Secretary in any meeting of the Committee, the Committee shall appoint any other person to act as the secretary of the meeting of the Committee.

Attendance

6. The Committee may invite other Board members or top executive to attend meetings to discuss the performance of executive directors and make proposals as necessary.

* For identification purposes only

7. The Committee may require other Board members or top executive to report to the Committee on significant group-wide changes in salary structure and terms and conditions affecting other employees at senior executive level.

Frequency of meetings

8. Meetings shall be held not less than once a year.

Authority

9. The Committee is authorized by the Board, subject to prior discussion concerning the cost, to seek appropriate professional advice outside the group as and when it considers this necessary.
10. The Committee is to be provided with sufficient resources to discharge its duties.

Duties

11. The duties of the Committee shall include:
 - (a) to make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and cost and on the establishment of a formal and transparent procedure for developing remuneration and cost policy;
 - (b) to review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives;
 - (c) to approve any **contract** of employment or related contract with executive directors;
 - (d) either:
 - (i) to determine, with delegated responsibility, the 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;

- (e) to make recommendations to the Board on the remuneration of non-executive directors;
- (f) to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the group;
- (g) 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;
- (h) 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;
- (i) to ensure that no director or any of his associate is involved in deciding his own remuneration; and
- (j) to make recommendations to the Board regarding the content of the Board's annual report to shareholders on directors' remuneration (including the company's policy on executive directors' remuneration, details of individual remuneration and other terms and conditions).

Reporting Procedures

12. The secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

*** End ***