



Tsit Wing International Holdings Limited
捷榮國際控股有限公司*

(Incorporated under the laws of Bermuda with limited liability)

(Stock Code: 2119)

(the “Company”)

TERMS OF REFERENCE
OF
THE REMUNERATION COMMITTEE
(the “Committee”)

Constitution

1. The Committee is established pursuant to a resolution passed by the board of directors (the “**Directors**”, each a “**Director**”) of the Company (the “**Board**”) on 15 December 2017.

Membership

2. The Committee shall consist of not less than three members appointed by the Board with the majority of the members being independent non-executive Directors.
3. Unless otherwise determined by the Board, the minimum number shall be three. If a member resigns, ceases to be a Director or for any other reason ceases to be a member of the Committee resulting in a reduction of the number of members below the minimum, the Board shall, within three months of that event, appoint such number of new members as may be required to make up the minimum.
4. The chairman of the Committee (the “**Chairman**”) shall be appointed by the Board and shall be an independent non-executive Director. In the absence of the Chairman, the remaining members present shall elect one of themselves to chair the meeting. The chairman of the Board shall not be the Chairman.
5. The members of the Committee shall not have personal financial interest (other than being a shareholder of the Company) and conflicts of interest arising from cross-directorships.

* *For identification purposes only*

6. The appointment of the members of the Committee maybe revoked and new members can be appointed in their stead, by resolutions passed by the Board.
7. No alternate member of any member of the Committee can be appointed.
8. The company secretary of the Company shall be the secretary of the Committee (the “**Secretary**”). In the absence of the Secretary, the members present shall elect one of themselves or appoint another person as the secretary for that meeting.

Notice of meetings

9. A meeting of the Committee may be convened by the Secretary at the request of any of its members.
10. Unless otherwise agreed by all the members of the Committee, notice of each meeting stating the time, date and place of the meeting shall be given to each member of the Committee and any other person invited to attend:
 - (a) in relation to all regular meetings of the Committee, at least seven days prior to the date of the meeting; and
 - (b) in relation to all other meetings of the Committee, within a reasonable time prior to the date of the meeting.
11. The agenda and any supporting documents and papers shall be forwarded to each member of the Committee and any other person invited to attend at least three days prior to the date of the meeting (or such other period as the members may agree).

Frequency and proceedings of meetings

12. The Committee shall meet at least once a year. Additional meetings should be held as and when the work of the Committee demands.
13. The Chairman may convene additional meetings at his discretion.
14. No business shall be transacted at any meeting of the Committee unless a quorum is present. The quorum of a meeting shall be two members of the Committee (at least one of whom should be an independent non-executive Directors).
15. A member of the Committee shall abstain from voting and shall not be counted in the quorum of a meeting in respect of the resolution regarding the remuneration payable to him.
16. Proceedings of meetings of the Committee shall be governed by the provisions of the bye-laws of the Company (as amended from time to time) (the “**Bye-Laws**”), unless otherwise agreed by the Committee.

17. Only members of the Committee have the right to attend Committee meetings. Other persons including but not limited to any Director, management, external advisors or consultants may be invited by the Committee to attend for all or part of any meeting as and when appropriate.
18. Meetings of the Committee may be held either in person or through electronic means of communication or in such other manner as the members may agree.
19. Questions arising at any meeting shall be determined by a majority of votes of the members of the Committee present. Each member of the Committee shall have one vote. In the case of any equality of votes, the chairman of the meeting shall have an additional or casting vote.
20. A resolution in writing signed by all members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee. Any such resolution may be contained in a single document or may consist of several documents in like form each signed by one or more of the members of the Committee.
21. The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The relevant member of the Committee shall not be counted towards the quorum and he/she must abstain from voting on any resolution of the Committee in which he/she and/or his/her close associates have a material interest.
22. Draft and final versions of minutes of the Committee meetings shall be sent to all Committee members for their comment and records within a reasonable time after the meeting.
23. The Secretary shall cause full minutes to be made for all meetings of the Committee. Such minutes shall include sufficient details of the meetings including the attendances thereat, all business transacted, all resolutions passed and all orders made at such meetings. Any such minutes of any meeting, if purporting to be signed by the chairman of such meeting or by the chairman of the next succeeding meeting of the Committee, shall be sufficient evidence without any further proof of the facts therein stated.
24. Save as otherwise provided herein expressly, proceedings of meetings of the Committee shall be governed by the provisions of the Bye-Laws for regulating the proceedings of meetings of the Board *mutatis mutandis*.

Responsibility

25. The Committee is to review and formulate policies in respect of remuneration structure for all Directors and senior management of the Company (the “**Senior Management**”) and make recommendations to the Board for its consideration. For the purpose of these terms of reference, Senior Management refers to the same

category of persons as referred to in the Company's annual report and required to be disclosed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Authority

26. The authorities of the Committee shall include such authorities set out in the relevant code provisions of the Corporate Governance Code (the "**Corporate Governance Code**") as contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") (as amended from time to time).
27. The Committee is authorised by the Board to seek any information it requires from the management of the Company in order to perform its duties.
28. The Committee is to be provided with sufficient resources to discharge its duties.

Duties, powers and functions

29. The duties and functions of the Committee shall include such duties and functions set out in the relevant code provisions of the Corporate Governance Code. Without prejudice to the foregoing, the Committee shall:
 - (a) make recommendations to the Board on the Company's policy and structure for all Directors' and Senior Management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
 - (b) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
 - (c) either (i) determine, with the delegated responsibility, the remuneration packages of individual executive Directors and Senior Management; or (ii) make recommendations to the Board on the remuneration packages of individual executive Directors and Senior Management, which should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
 - (d) make recommendations to the Board on remuneration of non-executive Directors;
 - (e) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
 - (f) ensure that a significant portion of executive Directors' remuneration should link rewards to corporate and individual performance;

- (g) 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) 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) ensure that no Director or any of his associates (as defined in the Listing Rules) is involved in deciding his own remuneration and that, as regards the remuneration of a non-executive Director who is a member of the Committee, his/her remuneration should be determined by the other members of the Committee;
- (j) advise on how to vote with respect to any service contracts of Directors, which is for a duration that may exceed 3 years or not determinable by the Company within one year or without payment of compensation or without other payments equivalent to more than one year's emoluments that require shareholders' approval under the Listing Rules;
- (k) review any proposed service contract with any Director or Senior Management before such contract is entered into;
- (l) review and/ or approve matters relating to share schemes under Chapter 17 of the Listing Rules;
- (m) ensure due compliance with any relevant disclosure requirements in respect of the remuneration of Directors under the Listing Rules, the Companies Act of Bermuda and any other statutory requirements;
- (n) review and make recommendations to the Board regarding the pension arrangements for Directors and Senior Management;
- (o) review and report to the Board on any suspected irregularities in the reimbursement of unreasonable out-of-pocket expenses of Directors and Senior Management;
- (p) review and approve the interim report, annual report, announcement and circular or any publication of the Company regarding remuneration and service contracts of the Directors prior to approval by the Board;
- (q) make available these terms of reference, explaining its role and the authority delegated to it by the Board by including them on Stock Exchange's website and the Company's website;
- (r) engage such external legal, financial or other professional advisers or other persons to enable it to discharge its duties as it considers necessary; and

- (s) consider other matters, as defined or assigned by the Board from time to time.
30. The Committee should consult the chairman of the Board and/or chief executive about their remuneration proposals for other executive Directors. The Committee should have access to independent professional advice if necessary.

Reporting procedures

31. Full minutes of the meetings of the Committee shall be kept by the Secretary, who shall prepare and send draft and final versions of minutes of meetings and all written resolutions of the Committee to all members of the Committee for their comments and records respectively, in both cases within a reasonable time after the meeting.
32. The Committee should report to the Board on a regular basis on its findings, decisions and/or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as restriction on disclosure due to regulatory requirements).
33. At the next meeting of the Board following a meeting of the Committee, the Chairman shall report to the Board on the findings, decisions and/or recommendations of the Committee. At least once annually, the Committee should present a report in writing to the Board which addresses the work and findings of the Committee during the year and shall be summarised and included in the corporate governance report which constitutes part of the annual report of the Company.

Annual general meeting

34. The Chairman or in his absence, another member of the Committee or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to answer questions at the annual general meeting on the Committee's work and its responsibilities.

Amendment

35. Subject to the compliance with the Bye-Laws and the Listing Rules, any amendment to these terms of reference shall be authorised by the Board.

Publication

36. The Committee shall make available these terms of reference by publishing them on the websites of The Stock Exchange of Hong Kong Limited and the Company.

Note: If there is any inconsistency between the English and Chinese versions of this document, the English version shall prevail.