

KENFORD GROUP HOLDINGS LIMITED

(the “Company”)

Terms of Reference of the Remuneration Committee

(the “Committee”)

Adopted by the Board on 14 July 2005

with first revisions approved by the Board on 18 July 2008

second revisions approved by the Board on 15 August 2011

third revisions approved by the Board on 22 June 2018

Membership

1. The Committee shall consist of at least three independent non-executive Directors and one executive Director appointed by the board of directors (the “Board”, and each director of the Board, a “Director”) from time to time. The majority of the Committee must be independent non-executive Directors of the Company.
2. The Board shall nominate one of the four members as the chairman of the Committee.
3. The company secretary of the Company or his/her appointed nominee shall act as the secretary of the Committee.

Frequency and proceedings of meetings

4. The Committee shall meet at least once every year. Additional meetings shall be held as the work of the Committee demands.
5. The chairman of the Committee may convene additional meetings at his discretion or upon request by any member of the Committee.
6. The quorum of a meeting shall be two members of the Committee.
7. The Committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants to advise its members.
8. Proceedings of meetings of the Committee shall be governed by the provisions regulating the meetings and proceedings of Directors in the Company’s articles of association.

Duties, powers and functions

9. The Committee shall

(a) Formulate remuneration policy for approval by the Board, which shall take into consideration factors such as salaries paid by comparable companies, employment conditions, and responsibilities, and individual performance of the directors, senior management, and the general staff. Performance shall be measured against corporate goals and objectives resolved by the Board

from time to time; and implement the remuneration policy laid down by the Board;

(b) Without prejudice to the generality of the foregoing:

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

- (i) Determine the remuneration package of individual executive Directors, non-executive Directors and the chief executive who is an ex-officio member and senior management, including benefits in kind, pension rights, compensation payments (including any compensation payable for loss or termination of office or appointment etc.). The chairman of the Board and/or the chief executive shall be consulted respectively about their proposals relating to the remuneration of the chief executive and/or senior management, as the case may be;
- (ii) 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;
- (iii) Review and approve the compensation arrangements in connection with any dismissal or removal of Directors and senior management for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (iv) Ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration;
- (v) Determine the criteria for assessing employee performance, which should reflect the Company's business objectives and targets;
- (vi) Consider the annual performance bonus for executive Directors, senior management, and the general staff, having regard to their achievement against the performance criteria and by reference to market norms, and make recommendation to the Board;
- (vii) Engage such external professional advisors to assist and/or advise the Committee on issues as it considers necessary;
- (viii) Do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- (ix) Conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation.

Reporting Procedures

10. The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report the findings and recommendations of the Committee to the Board.

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