



VEDAN INTERNATIONAL (HOLDINGS) LIMITED

味丹國際（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2317)

(the “Company”)

Remuneration Committee – Terms of Reference

1. Members

- 1.1 The remuneration committee of the Company (“**Committee**”) shall be established by the board of directors (“**Directors**”) of the Company (“**Board**”).
- 1.2 The majority of the Committee members must be independent non-executive Directors.
- 1.3 The Committee must be chaired by an independent non-executive Director and appointed by the Board. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 1.4 The terms of appointment of the Committee members are determined by the Board at the appointment date.
- 1.5 A member of the Committee who ceases to be a member of the Board shall immediately and automatically cease to be a member of the Committee.

2. Secretary

- 2.1 The company secretary of the Company shall act as the secretary of the Committee.
- 2.2 The Committee may from time to time, appoint any other person with appropriate qualification and experience to act as the secretary of the Committee.

3. Meeting

- 3.1 Unless specified by these terms of reference, meetings and proceedings of the Committee shall be governed by the Company’s articles of association regulating the meetings and proceedings of the Directors.
- 3.2 The Committee should meet at least once a year.

- 3.3 Notice of at least 14 days should be given for any meeting, unless such notification is waived by all members of the Committee. Notwithstanding the notification period, the attendance of a member of the Committee at the meeting would be deemed to be a waiver by him/her of the required notification requirement. If the follow up meeting takes place within 14 days after the meeting, no notification is required for such follow up meeting.
- 3.4 The quorum necessary for the transaction of business of the Committee shall be two members of the Committee, one of whom must be an independent non-executive Director.
- 3.5 Meeting can be attended in person or via electronic means including telephonic or video conferencing. The members of the Committee can attend the meeting via telephonic or any similar communication device (all persons attending such meeting should be able to hear from such member via such communication device).
- 3.6 The resolution of the Committee should be passed by more than half of the members.
- 3.7 The resolution passed and signed by all members of the Committee is valid, and the validity is the same as any resolution passed in a meeting held.
- 3.8 Full minutes of the Committee meeting should be kept by a duly appointed secretary of the Committee and be available for review by the Directors. Draft and final versions of minutes of the meeting should be sent to all Committee members for their comment and records, within a reasonable time after the meeting.
- 3.9 The Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless prohibited by applicable laws and regulations.

4. Meeting attendance

- 4.1 Upon the invitation from the Committee, the chairman of the Board and/or the general manager or chief executive, external advisor and the other persons can be invited to attend all or part of any meeting.
- 4.2 Only members of the Committee can vote in the meeting.

5. Annual General Meeting

- 5.1 The chairman of the Committee or (if absent) another member of the Committee (who must be an independent non-executive Director) shall attend the annual general meeting of the Company, handle shareholders' enquiries on the activities and responsibilities related to the Committee.

6. Duties and Powers

- 6.1 The Committee shall, without limitation, have the following duties and powers:
- 6.1.1 to evaluate the performance of all Directors and senior management of the Company and 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;
 - 6.1.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
 - 6.1.3 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 payment, including any compensation payable for loss or termination of their office or appointment;
 - 6.1.4 to make recommendation to the Board on the remuneration of non-executive Directors;
 - 6.1.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group and desirability of performance-based remuneration;
 - 6.1.6 in determining the remuneration packages of individual executive Directors and senior management, to give due regard to any relevant legal requirements, and the provisions, guidelines and recommendations of related regulatory bodies;
 - 6.1.7 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;
 - 6.1.8 review annually the appropriateness and relevance of the remuneration policy;
 - 6.1.9 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;
 - 6.1.10 to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration;
 - 6.1.11 to review and make recommendations on the roles and responsibilities, training and professional development of the senior management team;
 - 6.1.12 to form a view in respect of any service contracts of Directors that require the approval of the shareholders of the Company ("**Shareholders**") and advise the Shareholders (other than Shareholders who are Directors with material interests

in the service contracts and their associates) as to whether the terms are fair and reasonable, whether such contracts are in the interests of the Company and the Shareholders as a whole and advise the Shareholders on how to vote;

- 6.1.13 to consult the chairman of the Board and/or the chief executive of the Company about their remuneration proposals for other executive Directors. The Committee should have access to independent legal and professional advice if necessary;
- 6.1.14 to evaluate and make recommendations on any share option schemes that may be adopted by the Company from time to time;
- 6.1.15 to ensure that share options offered by the Company to its Directors or senior management (if any) are in accordance with Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) (the “**Listing Rules**”), as applicable;
- 6.1.16 to administer the Company’s share option schemes (if any) or other incentives schemes (if any) as they apply to Directors and/or senior management (subject to compliance with the provisions of the Listing Rules). It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to Directors and/or senior management to be at the discretion of the Committee) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);
- 6.1.17 to ensure that all provisions regarding the disclosure of remuneration including pensions, as set out in the relevant provisions of the Listing Rules, are fulfilled;
- 6.1.18 at least once a year, to review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
- 6.1.19 to make recommendations to the Board as it deems appropriate on any area within its scope of duties where action or improvement is needed.

7. Declaration responsibility

- 7.1 The Committee shall report to the Board every time after any meeting of the Committee.

8. Authority

- 8.1 The Committee should consult the chairman of the Board and/or the chief executive about their remuneration proposals for other executive Directors.

8.2 The Committee is authorized to request the senior management of the Company to provide any required resources information related to the remuneration package to perform its duties.

8.3 The Committee should have access to outside legal or independent professional advice in the expense of the Company if necessary, in order to fulfill his responsibility of being the Committee member.

Remark: the independent professional advice can be sought via the company secretary.

8.4 The Committee should be provided with sufficient resources to perform its duties.

Remark: "senior management" refers to the same persons referred to in the Company's annual report. It is the responsibility of the Directors to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries; heads of divisions, departments or other operating units within the group as, in the opinion of the Directors, is appropriate.

9. Terms Available

9.1 The Committee shall make available these Terms of Reference on request and by including them on The Stock Exchange of Hong Kong Limited's website and the Company's website.

30 March 2012

Note: If there is any inconsistency between the English and Chinese versions of these Terms of Reference, the English version shall prevail.