

KADER HOLDINGS COMPANY LIMITED

REMUNERATION COMMITTEE TERMS OF REFERENCE

The Board of Directors (the “Board”) of Kader Holdings Company Limited (the “Company”) hereby constitutes and establishes a remuneration committee (the “Committee”) with authority, responsibilities and duties as described below.

Membership

The members of the Committee shall be appointed by the Board from amongst the directors of the Company. The Committee shall consist of not less than three members and a majority of whom should be independent non-executive directors. A quorum shall be two members and one of whom must be independent non-executive directors. The Chairman of the Committee shall be appointed by the Board and must be an independent non-executive director.

Authority

The Committee is authorized by the Board to deal with any activity within its terms of reference. The Committee shall consult the Chairman and/or the Managing Director of the Company about their remuneration proposals for other executive directors and is authorized by the Board to obtain outside legal or other independent professional advice if necessary. The Company shall provide the Committee with sufficient resources to perform its duties.

Meetings

The Committee shall meet at least once a year. Additional meetings should be held as the Committee deems fit.

Annual General Meeting

The Committee 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 respond to any shareholder’s questions on the Remuneration Committee’s activities.

Reporting and Minutes

The Committee shall report to the Board on their recommendations and/or decisions.

The Company Secretary of the Company shall be the secretary of the Committee and prepare minutes of the meeting of the Committee and send the same to all members of the Committee for their comments within a reasonable time after the meeting. Upon receipt of the comments (if any) from members of the Committee, the secretary of the Committee shall finalize the minutes and send the same within a reasonable time to every member of the Committee and to all other members of the Board for their records.

Duties

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 the management's remuneration proposals with reference to the board's corporate goals and objectives;
- (c) to determine, with delegated responsibility, 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 or 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 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 and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Adopted on : 12th April 2005

Updated on : 29th March 2012

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