



ELEGANCE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 907)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

Amended by the Board on 29 March 2012

(In case of discrepancies between the English and the Chinese version, the English version shall prevail.)

1. Constitution

The board of directors (the “Board”) of Elegance International Holdings Limited (the “Company”) resolved to establish a committee of the Board to be known as the Remuneration Committee (the “Committee”) at a meeting held on 29 June 2005.

2. Membership and Quorum

The members of the Committee shall be appointed by the Board from amongst the directors of the Company. The Committee shall comprise a minimum of three members and the majority of the committee members shall be independent non-executive directors of the Company. A quorum shall be two members.

3. Chairman

The chairman of the Committee shall be appointed by the Board and shall be an independent non-executive director of the Company.

4. Secretary

The company secretary of the Company shall be the secretary of the Committee (the “Secretary”).

5. Meetings

5.1 The Committee shall meet at least once a year. Additional meetings shall be held as the work of the Committee demands. Meetings could be held in person, by telephone or by video conference.

5.2 Unless otherwise agreed, notice of each meeting together with an agenda shall be sent to each member of the Committee at least 14 days prior to the intended date of the meeting.

6. Minutes

Full minutes of the Committee meetings shall be kept by the Secretary. Draft and final versions of minutes of the meetings shall be sent to all committee members for their comment and records, within a reasonable time after the meeting.

7. Authority

The Committee shall consult the chairman of the Board and/or chief executive about their remuneration proposals for other executive directors and senior management of the Company. The Committee shall be provided with sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

8. Duties

The Committee shall have the following duties:

- (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 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;
- (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; and
- (h) to ensure that no director or any of his associates is involved in deciding his own remuneration.