

**SANDMARTIN INTERNATIONAL HOLDINGS LIMITED**  
*(incorporated in Bermuda with limited liability)*  
(the “**Company**”)

**Terms of reference of the Remuneration Committee**

The Remuneration Committee

The board of directors (the “**Board**”) of **Sandmartin International Holdings Limited** (the “**Company**”) established a committee of the Board known as the Remuneration Committee (the “**Remuneration Committee**”), a summary of its constitution and particular duties are set out below:-

**1. Membership**

- 1.1 The Remuneration Committee shall be appointed by the Board.
- 1.2 The majority of Remuneration Committee members shall be independent non-executive Directors of the Company.
- 1.3 The Board shall appoint the chairman of the Remuneration Committee.
- 1.4 The term of each appointment to the Remuneration Committee shall be determined by the Board upon appointment.

**2. Secretary**

- 2.1 The Company Secretary shall be the secretary of the Remuneration Committee.
- 2.2 The Remuneration Committee may from time to time appoint another secretary with appropriate qualification and experience.

**3. Meetings**

- 3.1 At least one meeting will be held each year.
- 3.2 Notice of each meeting confirming the venue, time and date shall be sent to each member of the Remuneration Committee, and to any other person required to attend in relation to all regular meetings of the Remuneration Committee, at least 14 days before the date of the meeting, unless such notification is waived by all members of the Remuneration Committee. Notwithstanding the notification period, the attendance of the member of the committee at the meeting would deem to be treated as the waiver of the required notification requirement. If the continued meetings held within 14 days, no prior notice is required.
- 3.3 The quorum of Remuneration Committee meetings shall be two members, one of them should be an independent non-executive director.
- 3.4 Meeting can be attended in person or via electronic means including telephonic or video conferencing. The Members may attend meetings either in person, by telephone or through other electronic means of communication (which are available to all attended parties).
- 3.5 Resolutions of the Remuneration Committee shall be passed with a majority of votes.
- 3.6 Resolutions signed by all members of the Remuneration Committee will be treated valid as if it is passed in the meeting held by the Remuneration Committee.

3.7 Minutes of the Remuneration Committee meetings shall be kept by the secretary of the Remuneration Committee and shall be available for inspection by any member of the Remuneration Committee and/or any Director of the Company at any reasonable time on reasonable notice. Draft and final versions of minutes of Remuneration Committee meetings shall be sent to all Remuneration Committee members for their comments and records respectively, in both cases within a reasonable time after the meeting. Once they are agreed, the secretary of the Remuneration Committee shall circulate the minutes and reports of the Remuneration Committee to all members of the Board.

4. **Attendance of Meetings**

4.1 Upon invitation by the Remuneration Committee, the chairman of the Board and/or the general manager or the chief executive officer, external consultant and other Board members may attend all or any of the meetings.

4.2 Only the Remuneration Committee members shall have the voting powers in the meeting.

5. **Annual general meetings**

5.1 The chairman of the Remuneration Committee shall endeavour to attend the annual general meetings of the Company and be prepared to respond to any shareholder questions on the Remuneration Committee's activities. If the chairman of the Remuneration Committee is unable to attend, a member of the Remuneration Committee (who must be an independent non-executive director) shall attend the annual general meeting of the Company. Such person shall be prepared to respond to any shareholder questions on the Remuneration Committee's activities.

6. **Duties and responsibilities**

The duties and responsibilities of the Remuneration Committee shall be:

6.1 to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;

6.2 to review and determine the specific remuneration packages of all executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board on the remuneration of non-executive Directors. The Remuneration Committee shall consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration;

6.3 to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;

6.4 to review and approve the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;

6.5 to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;

- 6.6 to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration; and
- 6.7 to advise Shareholders on how to vote with respect to any service contracts of Directors that require Shareholders' approval under the Listing Rules 13.68.

7. **Reporting responsibilities**

- 7.1 After each meeting, the Remuneration Committee shall report formally to the Board on all matters within its duties and responsibilities.

8. **Authority**

- 8.1 The Remuneration Committee shall consult the chairman and/or the general manager or the chief executive officer of the Company about their proposals relating to the remuneration of other executive directors.
- 8.2 The Remuneration Committee is authorized by the Board when necessary to seek any remuneration information it requires from senior management of the Company to order to discharge its duties.
- 8.3 The Remuneration Committee is authorized by the Board when necessary to obtain outside legal or other independent professional advice in connection with its duties at the Company's expense.

Note: All such arrangements of obtaining outside legal or other independent professional advice may be made by the company secretary.

- 8.4 The Remuneration Committee shall have access to sufficient resources in order to discharge its duties.

*“Senior management” refers to the same category of persons as referred to in the Company's annual report. It is the responsibility of the directors of the Company 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.*