



Amax Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock code : 959)

("the Company")

Remuneration Committee – Terms of Reference

(Adopted by a board meeting dated 28 March 2012)

1. Members

- 1.1 The remuneration committee should be established by the board of the Company ("Board").
- 1.2 The remuneration committee shall consist of at least three members, and the majority of the remuneration committee members ("Members") must be independent non-executive director.
- 1.3 The remuneration committee must be chaired by an independent non-executive director and appointed by the Board. In the absence of the remuneration 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 remuneration committee members are determined by the Board at the appointment date.

2. Secretary

- 2.1 The company secretary or assistant company secretary or head of human resource of the Company shall act as the secretary of the remuneration committee.

3. Meeting

- 3.1 The remuneration committee should meet at least once a year. Additional meetings shall be held as the work of the remuneration committee demands.
- 3.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the remuneration committee, any other person required to attend, no later than three (3) working days before the date of the meeting. Supporting papers shall be sent to remuneration committee members and to other attendees as appropriate, at the same time.
- 3.3 The quorum necessary for the transaction of business of the remuneration committee shall be two members of the remuneration committee, one of whom must 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 of the remuneration 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).

- 3.5 The resolution of the remuneration committee should be passed by more than half of the members.
- 3.6 The resolution passed and signed by all members of remuneration committee is valid, and the validity is same as any resolution passed in the meeting held.
- 3.7 Full minutes of remuneration committee meeting should be kept by a duly appointed secretary of the remuneration 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.

4. Meeting attendance

- 4.1 Upon the invitation from the remuneration 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 the member of remuneration committee can vote in the meeting.

5. Annual General Meeting

- 5.1 The chairman of remuneration committee or (if absent) the other member of remuneration committee (must be an independent non-executive director) should attend the annual general meeting of the Company, handled the shareholders' enquiry on the activities and responsibilities related to the remuneration committee.

6. Duties and Powers

The remuneration committee shall have the following duties and powers:

- 6.1 to make recommendations to the Board on the Company's policy and structure for remuneration of all directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- 6.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 6.3 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;
- 6.4 to make recommendation to the Board on the remuneration of non-executive directors;
- 6.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- 6.6 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;
- 6.7 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
- 6.8 to ensure that no director or any of his associates is involved in deciding his own remuneration.

7. Declaration responsibility

7.1 The remuneration committee shall report to the Board every time after any meeting of the remuneration committee.

8. Authority

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

8.2 The remuneration 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 remuneration committee should have access to independent professional advice in the expense of the Company if necessary, in order to fulfill his responsibility of being the remuneration committee member.

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

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

Remark: "senior management" refers to the same persons 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 Company's directors, is appropriate.

March, 2012

Note: This version of Remuneration Committee – Terms of Reference of Amax Holdings Limited is prepared in Chinese and English. In the event that there is any discrepancy or inconsistency between the two versions, the English version shall prevail. The Chinese version is not formally adopted by the Board of Amax Holdings Limited and does not have any legal effect.