

TOMSON GROUP LIMITED

Terms of Reference for Remuneration Committee

Constitution

1. The Board of Directors of the Company (the “Board”) hereby constitutes and establishes a Committee of the Board to be known as the Remuneration Committee with authority and duties as described below.

Membership

2. The Remuneration Committee shall be appointed by the Board and shall consist of not less than three members. The majority of the members of the Remuneration Committee shall be independent non-executive directors of the Company.
3. The Chairman of the Remuneration Committee shall be appointed by the Board.

Secretary

4. The company secretary of the Company shall be the secretary of the Remuneration Committee.

Meetings

5. The Remuneration Committee shall meet at least once a year and otherwise as required.
6. The quorum for a Remuneration Committee’s meeting shall be three members.
7. Only members of the Remuneration Committee have the right to attend and vote at the meetings.
8. Proceedings of the meetings of the Remuneration Committee shall be governed by Article 130 of the Articles of Association of the Company.
9. Full minutes of the Remuneration Committee should be kept by the secretary of the Remuneration Committee.

Authority

10. The Remuneration Committee is authorised by the Board:
 - (a) to seek any information it requires from any staff of the Company in order to perform its duties; and
 - (b) to obtain outside legal or other professional advice on any matter within these Terms of Reference.

Duties

The Remuneration Committee shall have the following duties:

11. To make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing policy on such remuneration.
12. To consult the Managing Director of the Company about its proposals relating to the remuneration of other executive directors of the Company.
13. To determine the specific remuneration packages of all executive directors and senior management of the Company, 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 of the remuneration of non-executive directors of the Company. The Remuneration Committee should consider factors such as remuneration paid by comparable companies, time commitment and responsibilities of the directors of the Company, employment conditions elsewhere in the Group and desirability of performance-based remuneration.
14. To review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.
15. To review and approve the compensation payable to executive directors and senior management of the Company 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 reasonable and not excessive for the Company.
16. To review and approve compensation arrangements relating to dismissal or removal of directors of the Company 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.
17. To ensure that no director of the Company or any of his/her associates is involved in deciding his/her own remuneration. For this purpose, the remuneration of any member of the Remuneration Committee shall be determined by the Board.
18. To advise shareholders of the Company on how to vote with respect to any service contracts of directors of the Company that require shareholders' approval under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reporting responsibilities and procedures

19. The Remuneration Committee shall report to the Board on its decisions and recommendations.

20. The secretary of the Remuneration Committee shall circulate the minutes of meetings and reports of the Remuneration Committee to all members of the Board.

Adopted on the 29th day of June, 2005