

CHU KONG SHIPPING ENTERPRISES (GROUP) COMPANY LIMITED
REMUNERATION COMMITTEE

TERMS OF REFERENCE

Constitution

1. The Board of Directors (“the Board”) of Chu Kong Shipping Enterprises (Group) Company Limited (“the Company”) has established a Remuneration Committee (“the Committee”). The terms of reference of the Committee took effect on the 15th day of September 2009 and its revision took effect from the 31st day of July 2012.

Membership

2. The Committee members shall be appointed by the Board and a majority of the Committee members shall be independent non-executive directors.
3. The chairman of the Committee shall be appointed by the Board (“the Committee Chairman”).

Meetings and Quorum

4. The Committee shall meet with such frequency and at such times as it may determine. It is expected that the Committee shall meet at least once each year. The Committee shall report to the Board after each meeting.
5. The Committee may invite any director, executive or person to attend the meeting of the Committee as it may from time to time consider desirable to assist the Committee in the attainment of its objective.
6. Only members of the Committee are entitled to vote at the meetings.
7. A meeting shall be called for by not less than 14 days’ notice in writing unless a shorter notice is so agreed by all the members of the Committee. The quorum for the meetings shall be 2 members, one of whom should be the Committee Chairman.
8. A resolution in writing signed by all the members for the time being shall be as valid and effectual as a resolution passed at a meeting duly called and constituted. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the members.
9. The Committee Chairman or members shall attend the Annual General Meeting of the Company and to answer any questions from the shareholders of the Company concerning the duties and operation of the Committee.
10. The Company Secretary shall be the secretary of the Committee (“the Secretary”)

Authority

11. The Committee is authorized by the Board to obtain such legal or other independent professional advice as it shall deem appropriate and shall be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference of remuneration consultants to advise it on all aspects of remuneration.
12. The Committee should be provided with sufficient resources by the Board to discharge its duties.

Objective

13. The purpose of the Committee is to set the remuneration policy of the Company and the remuneration of directors and senior executives whose appointments require approval of the Board.

Duties

14. The duties of the Committee shall be :
 - (a) to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior executives and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
 - (b) to make recommendations to the Board on the remuneration packages of individual 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 Committee should consider salaries paid by comparable companies, time commitment and responsibilities, employment conditions elsewhere in the group;
 - (c) to review and approve the compensation payable to executive directors and senior executives in connection with any loss or termination of their office or appointment to ensure that they are consistent with contractual terms and are otherwise fair and not excessive for the Company;
 - (d) 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 that any compensation payment is otherwise reasonable and appropriate; and
 - (e) to ensure that no director or any of his associates is involved in deciding his own remuneration.

Reporting procedures

15. Full minutes of the meetings of the Committee should be kept by the Secretary. Draft and final versions of minutes of the Committee should be sent to all members of the Committee for their comments and records respectively within a reasonable time after the meeting.
16. The Secretary shall circulate the minutes of meetings and reports of the Committee to all members of the Board.

Dated this 31st day of July 2012.