



TC ORIENT LIGHTING HOLDINGS LIMITED

達進東方照明控股有限公司

(the “Company”)

(Incorporated in the Cayman Islands with limited liability)

website: www.tatchun.com

(Stock Code: 515)

Terms of Reference of the Remuneration Committee (the “Committee”)

Constitution

1. The Committee is established as a committee of the board of directors of the Company (the “Board”).

Objectives

2. The Committee shall review and develop, for the Board’s endorsement, the Company’s policy on remuneration for its directors (including executive directors), members of its Audit Committee and its senior management (as defined in paragraph 19 below) by reference to paragraph 16 below.
3. It shall provide a medium of public accountability, which is not controlled by the Company’s management.

Membership

4. The Committee shall consist of at least three members who shall be appointed by the Board. A majority of the Committee members must be independent non-executive directors.
5. The chairman of the Committee shall be appointed by the Board from among its independent non-executive directors.
6. The quorum of a meeting of the Committee shall be any two of the Committee members.

Frequency of meetings

7. The Committee shall meet at least annually and at such other times as its chairman shall require.

Notice of Meetings

8. Meetings of the Committee shall be called by its chairman or at request of the Board.
9. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be issued to each member of the Committee and any other person required to attend no fewer than three working days prior to the date of the meeting.

Attendance at meetings

10. The Committee may request any director, any member of senior management (including the Head of Human Resources) or any other individual to attend its meetings.
11. The Company Secretary or his/her nominee shall be the secretary of the Committee.

Authority

12. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it reasonably requires from any employee in order to perform its duties. All employees are directed to cooperate with any reasonable request made by the Committee.
13. The Committee is authorised by the Board, at the Company's expense, to appoint legal or other independent professional advisers with relevant experience and expertise (including remuneration consultants) to assist the Committee, to secure the attendance of such professional advisers at its meetings if it considers it necessary and to obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it considers necessary to help it fulfil its obligations.
14. The Committee is authorised to require management to provide it with such resources as may be necessary for it to discharge its duties.
15. The Committee shall consult the Chairman and/or Chief Executive about their proposals relating to the remuneration of other executive directors.

Duties

16. The Committee shall have the following specific 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 policy on such remuneration;
 - (b) to have the delegated responsibility to 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 Committee should 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;
 - (c) to review and approve performance based remuneration (if any) by reference to corporate goals and objectives of the Company resolved by the Board from time to time;
 - (d) 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;

- (e) 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;
 - (f) to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration; and
 - (g) to produce an annual report of the Committee's remuneration policy which will form part of the Company's Annual Report and Account.
17. In determining the framework or Board policy for the remuneration of the directors and senior management, the Committee shall take into account relevant provisions of the "Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited" and "The Combined Code on Corporate Governance, July 2003" (the Combined Code) published by the Financial Reporting Council of the United Kingdom and other factors that it deems necessary. The objective of such policy is to ensure that employees of the Company and members of senior management in particular, are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company.
18. The Committee shall determine, prior to the beginning of each financial year, the details of any performance related remuneration whether on a Company wide basis or for senior management. Following each financial year the Committee shall review the performance against these targets.

Senior Management

19. For the purposes of these terms of reference, senior management shall mean employees or officers at the rank of Vice President or above.

1 "The Combined Code on Corporate Governance, July 2003" was published by the Financial Reporting Council (FRC) of the United Kingdom on 23 July 2003, the result of an extensive consultation by the FRC since January 2003. The primary aim of the Combined Code is to enhance board effectiveness and to improve investor confidence by raising standards of corporate governance.

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Date: 19 January 2015