



Tiande Chemical Holdings Limited

天德化工控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 609)

(the “Company” and together with its subsidiaries, collectively the “Group”)

**Terms of reference
of
the remuneration committee of the Company
 (“Remuneration Committee”)**

Revised and approved by the board (the “Board”) of directors (the “Directors”) of the Company on 16 December 2011.

1. Membership

- 1.1 Members of the Remuneration Committee (“Members”) shall be appointed by the Board and the majority of the Members shall be independent non-executive Directors.
- 1.2 The chairman of the Remuneration Committee shall be appointed by the Board and shall be an independent non-executive Director.
- 1.3 The appointment of the Members and the secretary of the Remuneration Committee may be revoked, or additional members may be appointed to the Remuneration Committee by separate resolutions passed by the Board.

2. Secretary

- 2.1 The company secretary of the Company or his/her delegate shall be the secretary of the Remuneration Committee.
- 2.2 The Remuneration Committee may from time to time appoint any other person with appropriate qualification and experience as the Secretary of the Remuneration Committee.

3. Meeting

- 3.1 The Remuneration Committee shall meet at least once each year.

- 3.2 Notice of any meetings has to be given at least 14 days prior to any such meeting being held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a member shall be deemed waiver of the requisite length of notice by the Member. Notice of any adjourned meetings is not required if adjournment is for less than 14 days.
- 3.3 Notice of meeting shall be given to each Member orally in person or in writing or by telephone or by facsimile or electronic transmission at the telephone number or facsimile number or e-mail address etc. from time to time notified to the secretary of Remuneration Committee by such Member or by such other means as Members may from time to time determine. Any notice given orally shall be confirmed in writing.
- 3.4 Meeting of Remuneration Committee could be held in person or by telephone. Members may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting Remuneration Committee of are capable of hearing each other. Member may not appoint any alternate to attend any meeting of Remuneration Committee.
- 3.5 The quorum of the Remuneration Committee meeting shall be two Members one of whom must be an independent non-executive Director.
- 3.6 Full minutes shall be kept by the secretary of the Remuneration Committee. Draft and final versions of minutes shall be circulated to all Members for their comment and records respectively, in both cases within a reasonable period of time after the meeting. Final versions of minutes shall be open for Directors' inspection.
4. **Attendance of meetings**
- 4.1 At the invitation of the Remuneration Committee, the other members of the Board, external advisers and other persons may be invited to attend all or part of Remuneration Committee meeting.
5. **Resolutions**
- 5.1 Resolutions of the Remuneration Committee shall be passed by a majority of votes.
- 5.2 A resolution in writing signed by all Members shall be as valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly convened and held.
- 5.3 Only Members are entitled to vote at the meetings.
6. **Attendance of annual general meeting**
- 6.1 The Chairman of the Remuneration Committee, or in his/her absence, another

Member (who must be an independent non-executive Director), shall attend the Company's annual general meeting and be prepared to respond to the Company's shareholders' questions on the Remuneration Committee's activities and their responsibilities.

7. Authority

The Remuneration Committee may exercise the following powers:

- 7.1 to consult the Chairman of the Board and/or chief executive about their remuneration proposals for other executive Directors;
- 7.2 to seek any remuneration related information it requires from senior management of the Company in order to perform its duties;
- 7.3 to access independent professional advice if necessary. Arrangement to seek the independent professional advice could be made through the Company Secretary;
- 7.4 to obtain sufficient resources to discharge its duties;

8. Duties

The duties of the Remuneration Committee shall be:

- 8.1 to make recommendations to the Board on the Company's policy and structure for remuneration of all Directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing remuneration policy;
- 8.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 8.3 to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management of the Company. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- 8.4 to make recommendations to the Board on the remuneration of non-executive Directors (if any);
- 8.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- 8.6 to review and approve compensation payable to executive Directors and senior management of the Company 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;

8.7 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

8.8 to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration.

9. **Reporting Responsibilities**

9.1 The Remuneration Committee shall report to the Board after each meeting.

Note: In this terms of reference, “senior management” refers to the same category of persons as referred to in the Company’s annual report and is required to be disclosed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.