



ASIAN CITRUS HOLDINGS LIMITED

亞洲果業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: HKSE: 73; AIM: ACHL)

TERMS OF REFERENCE – REMUNERATION COMMITTEE

(REVISED ON 23 FEBRUARY 2012)

1. MEMBERSHIP

- 1.1 Members of the Remuneration Committee (the “Committee”) shall be appointed by the board of directors (the “board”) of Asian Citrus Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”). The Committee shall be made up of at least three members, a majority of whom shall be independent non-executive directors.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the Director of Human Resources and external advisers may be invited to attend for all or part of any meeting as and when appropriate.
- 1.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided the director remains independent.
- 1.4 The board shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The Chairman of the board shall not be Chairman of the Committee.

2. SECRETARY

The Company Secretary or their nominee shall act as the Secretary of the Committee

3. QUORUM

The quorum necessary for the transaction of business shall be two, both of whom shall be independent non-executive directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4. MEETINGS

The Committee shall meet at least twice a year and at such other times as the Chairman of the Committee shall require. Meetings may be conducted by way of telephone conference or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

5. NOTICE OF MEETINGS

- 5.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.
- 5.2 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 Committee, any other person required to attend and all other non-executive directors, as soon as practicable before the date of the meeting, in any case at least 3 days before the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6. MINUTES OF MEETINGS

- 6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the board, unless a conflict of interest exists.

7. ANNUAL GENERAL MEETING

The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

8. DUTIES

The Committee shall:

- 8.1 consult the Company's Chairman and/or the Chief Executive about their remuneration proposals for other executive directors.
- 8.2 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 remuneration policy. No director or any of his associates or manager shall be involved in any decisions as to their own remuneration;
- 8.3 review and make recommendations concerning the remuneration packages and benefits of the Company's Chairman, the executive directors and the senior management of the Company as an independent and impartial committee, who have no personal financial interest in the package and/or benefits recommended and who, in the setting of those remuneration packages, will consider and give due regard to both the performance levels of, and a fair reward for, the Company's Chairman, executive directors and the senior management and to the interest of all the shareholders of the

Company in the light of the financial and commercial circumstances of the Company from time to time;

- 8.4 in determining such policy, take into account all factors which it deems necessary. The objective of such policy shall be to ensure that members of the executive / senior management of the Company are provided with appropriate incentives to encourage enhanced individual and corporate performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
- 8.5 review the ongoing appropriateness and relevance of the remuneration policy;
- 8.6 review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives;
- 8.7 approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- 8.8 review the design of all share incentive plans for approval by the board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors and other members of the executive / senior management and the performance targets to be used;
- 8.9 determine the policy for, and scope of, pension arrangements for each executive director and other members of the executive / senior management;
- 8.10 to determine with delegated responsibility, the remuneration package of individual executive directors and senior management. Remuneration package should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- 8.11 make recommendations to the board on the remuneration of non-executive directors;
- 8.12 consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- 8.13 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, and that the duty to mitigate loss is fully recognised;
- 8.14 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;
- 8.15 within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive as appropriate, determine the total individual remuneration package of each executive director and other members of the executive / senior management including bonuses, incentive payments and share options or other share awards;
- 8.16 in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the Combined Code and the AIM Rules of the London Stock Exchange plc and any associated guidance and The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") including the Corporate Governance Code set out in Appendix 14 to the Listing Rules;
- 8.17 review and note annually the remuneration trends across the Group;

- 8.18 oversee any major changes in employee benefits structures throughout the Group;
- 8.19 agree the policy for authorising claims for expenses from the Chief Executive and Chairman but, until this policy is agreed, the Chairman of the board will authorise the Chief Executive's expenses and the Chairman of the Remuneration Committee will authorise the Chairman's claims;
- 8.20 ensure that all provisions regarding disclosure of remuneration including pensions, as set out in the Directors' Remuneration Report Regulations 2002 and the Combined Code and the Listing Rules including the Corporate Governance Code set out in Appendix 14 to the Listing Rules are fulfilled; and
- 8.21 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee 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 deems necessary to help it fulfil its obligation.

9. REPORTING RESPONSIBILITIES

- 9.1 The Committee Chairman shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3 The Committee shall produce an annual report of the Company's remuneration policy and practices which will form part of the Company's Annual Report and ensure each year that it is put to shareholders for approval at the AGM.
- 9.4 The Committee should make available its terms of reference, explaining its role and the authorities delegated to it by the board by including them on The Hong Kong Exchange and Clearing Limited's website and the Company's website.
- 9.5 The Committee should update and revise its terms of reference as and when necessary in light of changes in circumstances and changes in regulatory requirements, e.g. the Combined Code, the AIM Rules of the London Stock Exchange plc and any associated guidance and the Listing Rules.

10. OTHERS

- 10.1 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes if considers necessary to the board for approval.
- 10.2 The Committee should be provided with sufficient resources to perform its duties.

11. AUTHORITY

The Committee is authorised by the board:

- 11.1 to carry on and investigate any activity within these terms of reference;
- 11.2 to seek any information if requires from any employee of the Company in order to perform its duties;

and

11.3 to obtain, at the Company's expense, any independent legal or other professional advice in connection with its duties.

Note: If there is any inconsistency between the English and Chinese versions of this Terms of Reference, the English version shall prevail.