

KINGMAKER FOOTWEAR HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

REMUNERATION COMMITTEE

Terms of Reference

Constitution

The board of directors (the "**Board**") of Kingmaker Footwear Holdings Limited (the "**Company**") hereby resolves to establish a committee of the Board to be known as the Remuneration Committee (the "**Committee**").

Membership

The members of the Committee shall be appointed by the Board from amongst the directors of the Company and the Committee shall consist of not less than three members, the majority of whom shall be independent non-executive directors.

The chairman of the Committee shall be appointed among its members.

Secretary of Committee

The company secretary shall be the secretary of the Committee.

Attendance at meetings

A quorum shall be two members. Other Board members, apart from the Committee members, have the right to attend any Committee meetings, although they shall not be counted in the quorum.

Frequency of meetings

The Committee members may call any meetings at any time when necessary.

Authority

The Committee is authorized by the Board to seek any necessary information which is within the Committee's scope of duties from the employees.

The Committee is authorized by the Board to obtain outside independent professional advice, and to secure the attendance of outsiders with the relevant experience and expertise if it considers necessary.

Duties

The duties of the Committee shall include, but shall not be limited to the following:

1. To make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration.
2. To review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

3. 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 of 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. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.
4. 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 to the issuer.
5. 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.
6. To ensure that no director or any of his associate is involved in deciding his own remuneration.
7. The Committee shall advise shareholders on how to vote with respect to any service contracts of directors that require shareholders' approval under Rule 13.68 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
8. To consult the Chairman and/or the chief executive officer about their proposals relating to the remuneration of the executive directors and have access to professional advice if considered necessary.
9. To consider other topics, as defined by the Board.

"Senior management" refers to the same category of persons as referred to in the Company's annual report. It is the responsibility of the directors of the Company to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries, heads of divisions, departments or other operating units within the group as, in the opinion of the directors, is appropriate.

Members: Mr. Chen Ming Hsiung, Mdm. Huang Hsiu Duan, Helen, Mr. Tam King Ching, Kenny, Mr. Chan Mo Po, Paul and Mr. Yung Tse Kwong, Steven.