

SMART UNION GROUP (HOLDINGS) LIMITED

**TERMS OF REFERENCE FOR THE
REMUNERATION COMMITTEE**

(Adopted on 13 March 2012)

Smart Union Group (Holdings) Limited

Terms of Reference for Remuneration Committee (adopted on 13 March, 2012)

Remuneration Committee members :

Mr. Wong Kwong Chung, James
Mr. Yang Wang Jian
Mr. Yeung King Wah, Kenneth

Chairman of the Remuneration Committee :

Mr. Wong Kwong Chung, James

Secretary of the Remuneration Committee :

Ms. Man Ching Yan

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Constitution

1. The board hereby resolves to establish a Remuneration Committee of the board to be known as the Remuneration Committee.

Membership

2. The Remuneration Committee shall be appointed by the board and shall consist of not less than three members. A quorum shall be two members and majority of the members shall be independent non-executive directors.
3. The Chairman of the Committee shall be an independent non-executive Director appointed by the Board.

Attendance at meetings

4. The company secretary shall be the secretary of the Remuneration Committee. The secretary of the Remuneration Committee or in his absence, his representative or any one member, shall be the secretary of the meetings of the Remuneration Committee.
5. Members of the Remuneration Committee may attend meetings of the Remuneration Committee either in person or through other electronic means of communication.

Frequency of meetings

6. Meetings shall be held at least once a year.

Authority

7. The Remuneration Committee is authorized by the board to seek such further information from the management of the Company as it may require in order to enable it to discharge its duties.

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8. The Remuneration Committee is authorized by the board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Duties

9. The duties of the Remuneration Committee shall be :
- (a) to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
 - (b) to review and approve management's remuneration proposals by reference to board's corporate goals and objectives resolved by the Board from time to time;
 - (c) either:
 - (i) to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payments, any compensation payable for loss or termination of their office or appointment; or
 - (ii) to make recommendations to the board on the remuneration packages of individual executive directors and senior management.
 - (d) to make recommendations to the board of the remuneration of non-executive directors. To consider factors such as salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
 - (e) to review and approve the 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 for the Company;
 - (f) 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;

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- (g) to ensure that no director or any of his associates is involved in deciding his own remuneration; and
- (h) to advise shareholders on how to vote with respect to any service contracts of directors that require shareholders' approval under Rule 13.68 of the Listing Rules.

Reporting procedures

- 10. Draft and final versions of the minutes of the Remuneration Committee meetings shall be sent to all Remuneration Committee members for their comments and records respectively. The secretary or his representative shall circulate the minutes of meetings and reports of the Remuneration Committee to all members of the Board.

Publication of the terms of reference of the Remuneration Committee

- 11. The terms of reference of the Remuneration Committee will be posted on the website of each of the Company and The Stock Exchange of Hong Kong Limited, and will be made available upon request.

Others

- 12. The chairman of the Remuneration Committee or in his absence, another member of the Remuneration Committee or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to questions at the annual general meeting on the Remuneration Committee's activities and their responsibilities.
- 13. The Remuneration Committee should be provided with sufficient resources to discharge its duties.