



SHENYIN WANGUO (H.K.) LIMITED

申銀萬國(香港)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code : 218)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

Constitution

1. The Board resolved to establish a Committee of the Board to be known as the Remuneration Committee (the “Committee”).

Membership

2. Members of the Committee shall be appointed by the Board. A majority of the Committee members should be independent non-executive directors.
3. The Chairman of the Committee shall be appointed by the Board and shall be an independent non-executive director.

Quorum and Attendance at Meetings

4. Two members of the Committee shall constitute quorum of the Committee.

Frequency of Meetings

5. Meetings shall be held not less than once a year.

Authority

6. The Committee is authorized by the Board to review and make recommendations to the Board on remuneration of directors and senior management.
7. To assist Committee members to discharge their duties, the following procedures for seeking professional advice at the Company’s expenses shall be observed:
 - a. The Committee members shall submit a request in writing to the Chairman of the Board stating the grounds for seeking the independent professional advice;

- b. The Chairman of the Board would approve the Committee member's request directly. If necessary, the Chairman may convene the board meeting to resolve the matter.

Duties

8. The duties of the Committee shall be:
 - 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 remuneration policy;
 - b. to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
 - c. to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management. This should, include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
 - d. to make recommendations to the Board on the remuneration of non-executive directors;
 - e. to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the group;
 - f. to 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;
 - g. 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
 - h. to ensure that no director or any of his associates is involved in deciding his own remuneration.

Reporting Procedures

9. The minutes of the meetings shall be circulated to the Committee members.

March 2012