

SHEUNG YUE GROUP HOLDINGS LIMITED

上諭集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1633)

REMUNERATION COMMITTEE TERMS OF REFERENCE

Constitution

1. The board of directors (the “**Board**”) of Sheung Yue Group Holdings Limited (the “**Company**” which together with its subsidiaries, the “**Group**”) has established a Remuneration Committee (the “**Committee**”) with authority, responsibility, and specific duties as described below.

Membership and Quorum

2. The Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members, a majority of whom shall be independent non-executive directors of the Company. A quorum shall be two members.
3. The chairman of the Committee shall be an independent non-executive director and appointed by the Board.

Authority and Duties

4. The authority of the Committee is derived from the Board, therefore the Committee is obliged to report to the Board on its decisions or recommendations.
5. The Committee is authorised by the Board to investigate any activity within the scope of these terms of reference and shall be provided with sufficient resources to perform its duties. It is authorised to seek any information it requires from any employee of the Group and members of the Board in order to perform its duties and all employees of the Group and members of the Board are directed to co-operate with any request made by the Committee within the scope of these terms of reference.

6. The duties of the Committee shall be:

- (a) to make recommendations to the Board on the Group'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 make recommendations to the Board on the remuneration packages of individual executive directors and senior management of the Group, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment. The Committee shall consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group;
- (d) to make recommendations to the Board on the remuneration of non-executive directors.
- (e) to review and approve compensation payable to executive directors and senior management of the Group 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;
- (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;
- (g) to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration;
- (h) to consider the performance bonus (if any) for executive directors, senior management and general staff (if applicable), having regard to their achievements against the performance criteria and by reference to market norms, and make recommendations to the Board;

- (i) to determine the criteria for assessing employee performance which should reflect the Company's business objectives and target;
- (j) to advise shareholders of the Company on how to vote with respect to any service contracts of directors of the Group that require shareholders' approval under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and
- (k) to consider other topics and review other documents as may be reasonably requested by the Board from time to time.

Consultation

- 7. The Committee shall consult the chairman of the Board and/or chief executive about their remuneration proposals for other executive directors of the Company, if any, and, at the expenses of the Group, have access to independent professional advice if necessary.

Secretary

- 8. The secretary of the Company (or his/her delegate) shall be the secretary of the Committee (the "**Secretary**").

Meetings

- 9. The Committee shall meet as and when necessary or as requested by any Committee member. The Committee shall meet at least once every year.
- 10. The meetings and proceedings of the Committee are governed by the provisions of the Articles of Association of the Company for regulating the meetings and proceedings of the Board so far as the same are applicable.

Reporting Procedures

11. Minutes of each Committee's meeting should be kept by the Secretary and should be open for inspection at any reasonable time on reasonable notice by any director. Draft and final versions of minutes of the Committee's meetings shall be sent to all members of the Committee for their comments and records respectively, in both cases within a reasonable time from such meeting.

12. The Committee should report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report to the Board on the findings and recommendations of the Committee.

Adopted by the Board on 24 October 2016.