



NEW UNIVERSE INTERNATIONAL GROUP LIMITED

新宇國際實業（集團）有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8068)

Terms of Reference of the Remuneration Committee

**(adopted on 1st May 2005, and
amended on 19th March 2012)**

Constitution

1. The board of directors (“Board”) of New Universe International Group Limited (the “Company”) established a committee known as the Remuneration Committee to determine the policy for the remuneration of executive directors, assessing performance of executive directors and approving the terms of executive directors’ service contracts. The terms of reference of the Remuneration Committee (the “Terms of Reference”), being approved by the Board, are set out as follows.

Membership

2. The Remuneration Committee shall comprise at least three members to be appointed by the Board from time to time. In appointing members of the Remuneration Committee, the Board shall have regard to the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”). A majority of the members of the Remuneration Committee shall be independent non-executive directors of the Company. A quorum shall be any two members of the Remuneration Committee.
3. If a regular member is unable to act due to absence, illness or any other cause, the chairman of the Remuneration Committee may appoint another director of the Company to serve as an alternate member having due regard to maintaining the required balance of executive and independent non-executive members.

The Chairman

4. The chairman of the Remuneration Committee, who should be an independent non-executive director of the Company, will be appointed by the Board. The chairman of the Remuneration Committee should chair the meetings of the Remuneration Committee.

5. The chairman of the Remuneration Committee shall attend the annual general meeting of the Company so as to be available to address questions from shareholders regarding the activities and approach of the Remuneration Committee.

The Secretary

6. The company secretary of the Company or his or her nominee shall act as 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.

Frequency of meetings

7. Meetings shall be held whenever the chairman of the Remuneration Committee deems it necessary but not less than one regular meeting a year.
8. Formal meetings of the Remuneration Committee may be held in person, by telephone or through other electronic means of communication that permit all participants to communicate with each other simultaneously, and the quorum in meetings held by means of telecommunication shall be any two participated Remuneration Committee members.

Duties of the Remuneration Committee

9. The Remuneration Committee should consult the chairman and/or chief executive about their remuneration proposals for other executive directors. The Remuneration Committee should have access to independent professional advice if necessary.
10. The duties of the Remuneration 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 either (i) determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payments that including any compensation payable for loss or termination of their office or appointment; or (ii) make recommendations to the Board on the remuneration packages of individual executive directors and senior management; or;
 - (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;
- (h) to ensure that no director or any of his associates is involved in deciding his own remuneration;
- (i) to advise shareholders on how to vote with respect to any service contracts of directors that requires shareholders' approval;
- (j) to make such alterations or additions to option scheme rules as do not require shareholders' consent as the Remuneration Committee considers necessary or desirable subject to the limits set out in such rules;
- (k) to consider and resolve upon all grants of options under the Company's share option schemes; and
- (l) to oversee the preparation of any report or summary of work of the Remuneration Committee to be included in the annual report of the Company.

Authority

11. The Remuneration Committee is authorized by the Board to seek any information it requires from any employee of the Company in order to perform its duties, and all employees are directed to co-operate with any request or enquiry made by the Remuneration Committee.
12. If the Remuneration Committee deems necessary in the course of performing its duties, pursuant to its Terms of Reference and upon the request of the Board, the Remuneration Committee may, at the Company's expense, select and appoint remuneration consultant(s) and establish the terms of reference of its authority and duties accordingly.
13. The Remuneration Committee shall be provided with sufficient resources to perform its duties in accordance with its Terms of Reference.

Reporting procedures

14. 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

15. The Terms of Reference will be posted on the websites of GEM and the Company. It is available for inspection by the shareholders of the Company during normal business hours at the Company's principal place of business. A copy of the Terms of Reference will be made available to any person without charge upon request.
16. The following information of the Remuneration Committee will be disclosed in the corporate governance report included in the annual report of the Company:
 - (i) the role and function of the Remuneration Committee;
 - (ii) the composition of the Remuneration Committee and whether it comprises independent non-executive Directors, non-executive Directors and executive Directors (including their names and identifying the chairman of the Remuneration Committee);
 - (iii) the number of meetings held by the Remuneration Committee during the year to discuss matters and the record of attendance of members, by name, at meetings held during the year; and
 - (iv) a summary of the work during the year, including determining policy for the remuneration of executive Directors, assessing performance of executive Directors and approving the terms of executive Directors' service contracts, performed by the Remuneration committee and disclose which of the two models of Remuneration Committee described in 10(c) herein was adopted.

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