

**SYNERGY GROUP HOLDINGS INTERNATIONAL LIMITED**  
**(“Company”)**

Terms of reference of the remuneration committee (“**Committee**”)  
of the board of directors (“**Board**”) of the Company

**1. ESTABLISHMENT**

The Committee is established pursuant to a resolution passed by the Board at its meeting held on 5 March 2015.

**2. MEMBERSHIP**

- 2.1 Members of the Committee (“**Member(s)**”) shall be appointed by the Board from amongst the members of the Board.
- 2.2 The Committee shall consist of not less than three Members. A majority of Members shall be independent non-executive directors of the Company. If a Member shall cease to be a director of the Company (“**Director(s)**”), that Member shall also simultaneously cease to be a Member and the Board shall appoint a new Member to complement the number of Members in the Committee.
- 2.3 The chairman of the Committee (“**Chairman**”) shall be appointed by the Board and shall be an independent non-executive Director.
- 2.4 The company secretary of the Company shall be the secretary of the Committee (“**Secretary**”) who should attend all meetings of the Committee (“**Meeting(s)**”).
- 2.5 Each Member shall disclose to the Committee:
  - (a) any personal financial interest in any matter to be decided by the Committee; and
  - (b) any actual or potential conflict of interest arising from a cross-directorship.

Any such Member shall abstain from voting on resolutions of the Committee in relation to which such actual or potential conflict of interest exists and from participating in the discussions concerning such resolutions, and shall (if so required by the Board) resign from the Committee.

**3. PROCEEDINGS OF THE COMMITTEE**

- 3.1 Unless otherwise agreed by all the Members (either orally or in writing), a Meeting shall be called by giving at least seven (7) days’ notice.
- 3.2 A Member may, and, on the request of a Member, the Secretary shall, at any time summon a Meeting. Notice shall be given to each Member in person orally or in writing or by telephone or by email or by facsimile transmission at the telephone or facsimile or address or email address from time to time notified to the Secretary by such Member or in such other manner as the Members may from time to time determine.

- 3.3 In respect of regular Meetings to be held as mentioned in paragraph 3.5 below and, so far as practicable, for all other Meetings, the agenda and accompanying papers shall be sent to all Members in a timely manner and at least three (3) days before the intended date of the Meeting (or such other period as all Members may agree).
- 3.4 Members may participate in the Meeting by means of a conference telephone or other communications equipment through which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.
- 3.5 Senior management is obliged to supply the Committee with adequate information in a timely manner, in order to enable it to make informed decisions. The information supplied must be complete, reliable and provided voluntarily by senior management. Where a Member requires more information than is volunteered by senior management, the relevant Member should make additional necessary enquiries. Each Member shall have separate and independent access to the senior management.
- 3.6 The quorum of the Meeting shall be two Members and a majority of whom shall be independent non-executive Directors.
- 3.7 Meetings shall be held at least once every year.
- 3.8 No Member may vote on any resolutions of the Committee regarding his own remuneration.
- 3.9 Resolutions may be passed by all Members in writing. This provision is without prejudice to any requirement under the Rules Governing the Listing of Securities (“**GEM Listing Rules**”) on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) for a Board or Committee meeting to be held.

#### **4. OVERRIDING PRINCIPLES**

- 4.1 Remuneration levels should be sufficient to attract and retain Directors to run the Company successfully without paying more than necessary.
- 4.2 No Director should be involved in deciding his own remuneration.
- 4.3 The Committee should consult the chairman of the Board and/or the chief executive of the Company about their remuneration proposals for other executive Directors. The Committee should have access to independent professional advice if necessary.
- 4.4 The procedure for setting policy on executive Directors’ remuneration and all Directors’ remuneration packages should be formal and transparent.

#### **5. AUTHORITY OF THE COMMITTEE**

- 5.1 The Committee may exercise the following powers:
  - (a) to review any proposed service contract with any Director or senior management before such contract is entered into and to make recommendation to the Company for any changes to the proposed terms of such contract;

- (b) to make recommendations regarding the remuneration, bonuses and welfare benefits of the executive Directors and the senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (c) to obtain outside legal or other independent professional advice, at the cost of the Company, on any matters within these terms of reference as it considers necessary;
- (d) to review annually these terms of reference and their effectiveness in the discharge of its duties and to make recommendations to the Board on any changes it considers necessary; and
- (e) to exercise such powers as the Committee may consider necessary and expedient so that their duties under section 6 below can be properly discharged.

5.2 The Committee should be provided with sufficient resources to perform its duties.

## **6. DUTIES**

The duties of the Committee shall be:

- (a) to make recommendations to the Board on the Company's policy and structure for the remuneration packages of Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management, which include 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 on the remuneration of non-executive Directors. The Committee should consider salaries paid by comparable companies, time commitment and responsibilities of the Directors and employment conditions elsewhere in the group;
- (c) to consider what details of the remuneration/benefits of the Directors and the senior management should be disclosed, in addition to those required by law or the GEM Listing Rules, in the Company's annual report and accounts and how those details should be presented;
- (d) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives resolved by the Board from time to time;
- (e) 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;
- (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 engage such external professional advisers to assist and/or to advise the Committee on issues as it considers necessary;

- (h) to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board;
- (i) to ensure that no Director or any of his associates (as defined in the GEM Listing Rules) is involved in deciding his own remuneration;
- (j) to ensure the Chairman, or in the absence of the Chairman, another Member or, failing this, his duly appointed delegate, is available to answer questions at the annual general meeting of the Company; and
- (k) to conform to any requirements, direction and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation.

## **7. REPORTING PROCEDURES**

- 7.1 The Committee shall report to the Board. At the next meeting of the Board following a Meeting, the Chairman shall report the findings and recommendations of the Committee to the Board.
- 7.2 Copies of the minutes of the Meetings shall be provided to the Board at its meetings.
- 7.3 Full minutes of the Meetings and all written resolutions of the Committee should be kept by the Secretary.
- 7.4 The Secretary shall circulate the draft and final versions of minutes of the Meeting or, as the case may be, written resolutions of the Committee to all Members for their comment and records within a reasonable time after the Meeting or the passing of the written resolutions.
- 7.5 The Secretary shall keep records of all Meetings held during each financial year of the Company and individual attendance of Members, on a named basis, at Meetings held during that financial year.
- 7.6 All Members shall be entitled to have access to Committee papers and related materials. These Committee papers and related materials should be in a form and quality sufficient to enable the Committee to make informed decisions on matters placed before it. Queries raised by Members should receive a prompt and full response, if possible.

## **8. SHAREHOLDERS' MEETING**

The Chairman should, as far as practicable, attend the annual general meeting of the Company and make himself available to respond to any shareholder's questions on the Committee's activities. In the absence of the Chairman, another Member or failing which a duly appointed delegate of such Chairman or Member should attend the annual general meeting of the Company. Unless authorised by the Board, Member(s) attending the Meeting shall have the duty to keep all matters discussed at the Meeting confidential and shall not disclose relevant information to any third party except as required by law or the GEM Listing Rules.

## **9. CONTINUING APPLICATION OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

The articles of association of the Company (“**Articles**”) regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not replaced by the provisions in these terms of reference, shall apply to the Meetings and proceedings of the Committee.

## **10. POWERS OF THE BOARD**

- 10.1 The Board may, subject to compliance with the Articles and the GEM Listing Rules (including the Corporate Governance Code set out in Appendix 15 to the GEM Listing Rules or if adopted by the Company, the Company’s own corporate governance code), amend, supplement and revoke these terms of reference and any resolutions passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.
- 10.2 The power to interpret these terms of reference shall rest in the Board. These terms of reference shall be made available to the public by including the information on the Company’s website and the Stock Exchange’s website.

## **11. AUTHORITY**

- 11.1 The Committee is granted the authority to investigate any activity within its terms of reference and all employees are directed to cooperate with any request made by the Committee. The Committee is authorized by the Board to obtain outside legal or other independent professional advice and to invite the attendance of outsiders with relevant experience and expertise if it considers this necessary.

## **12. REVISION OF THE TERMS OF REFERENCE**

- 12.1 These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in the GEM Listing Rules and other regulatory requirements in Hong Kong.

March 2015