



GREENHEART GROUP LIMITED

綠心集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 94)

(the “**Company**”)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE (the “**Committee**”)

Purpose of the Committee

1. Effective 1 April 2012, it is a requirement under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) that the Committee be established.
2. The Committee should have written terms of reference which deal clearly with its authority and duties; principally making recommendations to the Board of the Directors (the “**Board**”) of the Company for the remuneration of Non-Executive Directors, reviewing the remuneration packages of Executive Directors and senior management including bonus and options granted under the share option scheme, to ensure that such remuneration is reasonable and not excessive.

Composition of the Committee

3. Members of the Committee shall be appointed by the Board from among the Directors of the Company and shall consist of not less than three members, a majority of whom should be Independent Non-Executive Directors of the Company.
4. The chairman of the Committee (the “**Chairman**”) shall be appointed by the Board and shall be an Independent Non-Executive Director of the Company.
5. The company secretary of the Company or his/her nominee shall act as the secretary of the Committee (the “**Secretary**”).

Quorum

6. The quorum of a meeting shall be two members of the Committee. The Secretary shall not be counted in the quorum present at the meeting.

Frequency and Proceedings of Meetings

7. The Committee shall meet at least once every year. Additional meetings shall be held as the work of the Committee demands.
8. The Chairman of the Committee may convene additional meetings at his discretion.
9. Minutes of each meeting will be taken and an agenda circulated with necessary paper of review at least 3 days prior to the date of the meeting.
10. The Committee may, from time to time, invite advisors to the meeting, including but are not limited to external advisors or consultants to advise its members (if they consider this necessary). All the professional charges of the above services should be settled by the Company.
11. Proceedings of meeting of the Committee shall be governed by the provisions of Bye-law 110 of the Bye-laws of the Company.
12. The Committee may hold meetings by means of telephone or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other.

Responsibilities, Powers and Functions

13. The Committee shall :
 - (a) formulate remuneration policy for approval by the Board, which shall take into consideration factors such as salaries paid by comparable companies, employment conditions, responsibilities and individual performance of the directors, senior management, and the general staff. Performance shall be measured against corporate goals and objectives resolved by the Board from time to time; and implement the remuneration policy laid down by the Board;
 - (b) without prejudice to the generality of the foregoing :
 - (i) recommend to the Board on the establishment of a formal and transparent procedure for developing remuneration policy;

- (ii) recommend to the Board on the Company's policy and structure for the remuneration of Directors and senior management whilst ensuring no director or any of his associates is involved in deciding his own remuneration;
- (iii) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (iv) consult the Chairman and/or the Chief Executive respectively about the proposals relating to the remuneration of the other Executive Directors and/or senior management, as the case may be;
- (v) determine, with delegated responsibility, or make recommendation to the Board on, the remuneration packages of individual Executive Directors and senior management, including benefits in kind, pension rights, compensation payments (including compensation payable for loss or termination of office or appointment etc);
- (vi) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- (vii) 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;
- (viii) 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;
- (ix) determine the criteria for assessing employee performance, which should reflect the Company's business objectives and targets;
- (x) consider the annual performance bonus for Executive Directors, senior management, and the general staff, having regard to their achievements against the performance criteria and by reference to market norms, and make recommendation to the Board;
- (xi) engage such independent professional advisors to assist and/or advise the Committee on issues as it considers necessary;

- (xii) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board;
- (xiii) conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company imposed by legislation;
- (xiv) investigate any activity within its terms of reference and seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee; and
- (xv) review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

Amendment

14. Any member of the Committee has a right to amend the terms or reference of the Committee subject to the approval of the Board.

Cessation of Services

15. Any Independent Non-Executive Director who has resigned or been removed by the Company for whatever reasons shall automatically cease to be member of the Committee at the same time.

Reporting Procedures

16. The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the Chairman shall report the findings and recommendations of the Committee to the Board.
17. The Secretary shall circulate the minutes of the meeting of the Committee to all members of the Board.

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