

NORTH ASIA STRATEGIC HOLDINGS LIMITED

北亞策略控股有限公司*

(the “Company”)

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

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

Membership

1. The Committee shall be appointed by the Company’s board of directors (the “Board”) from time to time and the majority of its members shall be independent non-executive directors.
2. The Chairman of the Committee shall be an independent non-executive director appointed by the Board.

Authority

1. The Committee is granted the authority for setting policy on executive directors’ remuneration and all directors’ remuneration packages should be formal and transparent.
2. The Committee should consult the chairman and/or chief executive about their remuneration proposals for other executive directors, and should have access to independent professional advice if necessary.

Meetings

1. The Committee should meet at least once per year. Additional meetings should be held as the work of the Committee demands.
2. A quorum of a meeting of the Committee shall be two members.
3. The company secretary of the Company, or in her absence, her delegate, shall act as the secretary of the Committee and ensure that full minutes are kept of all meetings.
4. As necessary or desirable, the Chairman of the Committee may request that the executive directors, members of senior executives, human resources executive(s) and/or the chief financial officer be present at meetings of the Committee.
5. Proceedings of the meetings of the Committee shall be governed by the provisions of the Bye-laws of the Company.

**For identification purpose only*

Duties, powers and functions

1. The Committee shall:
 - (a) 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) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
 - (c) determine, with delegated responsibility, the remuneration packages of individual executive director 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) make recommendations to the Board on the remuneration of non-executive directors;
 - (e) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
 - (f) 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 that it is otherwise fair and not excessive;
 - (g) review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that are consistent with contractual terms and are otherwise reasonable and appropriate;
 - (h) ensure that no director or any of his associates is involved in deciding his own remuneration; and
 - (i) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board.
2. The Committee shall be provided with sufficient resources to enable it to perform its functions, including but not limited to resources for seeking independent professional advice.

Reporting

1. The Committee shall report to the Board on a regular basis. At the next Board meeting following a meeting of the Committee, the Committee's Chairman shall report to the Board on decisions or recommendations made.

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Revised in February 2012

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