



TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

The Remuneration Committee

The board of directors (the "**Board**") of **GOLDEN EAGLE RETAIL GROUP LIMITED** (the "**Company**") established a committee of the Board known as the Remuneration Committee (the "**Remuneration Committee**"), its constitution and particular duties are set out below:-

(1) **Membership**

The members of the Remuneration Committee shall be appointed by the Board from amongst the directors of the Company and the Remuneration Committee shall consist of not less than three members, the majority of which shall be the independent non-executive directors of the Company. The chairman of the Remuneration Committee shall be an independent non-executive director of the Company.

(2) **Secretary of Remuneration Committee**

The Company Secretary of the Company shall be the secretary of the Remuneration Committee and shall be responsible to record the minutes of meetings of the Remuneration Committee.

(3) **Attendance at meetings**

A quorum of a meeting of the Remuneration Committee shall be two members. Other board members, apart from the members of the Remuneration Committee, have the right to attend any meetings of the Remuneration Committee, though they shall not be counted in the quorum.

(4) **Frequency of meetings**

Meetings of the Remuneration Committee shall be held not less than once a year.

(5) **Duties**

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.

The duties of the Remuneration Committee shall include, but shall not be limited to the following:-

- (a) to make recommendation to the Board on the Company's policy and structure for the remuneration of all directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) to determine, with the delegated responsibility, the remuneration package of individual executive directors 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;
- (c) to make recommendations to the Board on the remuneration of non-executive directors;
- (d) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
- (e) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (f) to review and approve the 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; and
- (h) to ensure that no director or any of his associates is involved in deciding his own remuneration.

(6) Reporting procedures

The secretary of the Remuneration Committee shall circulate the minutes of meetings of the Remuneration Committee to all members of the Board.

(7) Language

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

– END –

March 2012