



Sino Distillery Group Limited

中國釀酒集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00039)

Terms of Reference of the Remuneration Committee

Membership

1. The Remuneration Committee (the “Committee”) shall be appointed by the Board and shall consist of not less than three members, a majority of whom should be Independent Non-Executive Directors. A quorum shall be two members.
2. The chair of the Committee shall be appointed by the Board and should be an Independent Non-Executive Director.

Attendance at meetings

3. The Chairman of the Committee and Chief Financial Officer or Financial Controller shall normally attend meetings.
4. The Company Secretary shall be the secretary of the Committee.

Frequency of meeting

5. Meetings shall be held at least once a year.

Authority

6. The Committee should consult the Chairman and/or the Chief Executive in making their recommendations relating to remuneration of other Executive Directors.
7. The Committee is and may, from time to time, seek advice from independent professionals so as to ensure that the Board remains informed of market trends and practices in respect of remuneration rewards and levels.
8. The Committee should be provided with sufficient resources to perform its duties.

Duties

9. The duties of the Committee shall be:
 - (a) to make recommendations to the Board on the Company’s policy and structure for all Directors’, corporate management (ie. senior management of the Company) and operating management (ie. senior management of the Company’s business units) 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 make recommendations to the Board on the remuneration packages of individual Executive Directors, corporate management and operating 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) 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, corporate management and operating 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 (as defined in the Listing Rules) is involved in deciding his own remuneration.

Procedures

10. The chair, in consultation with the person responsible for Human Resources and the secretary of the Committee, should be primarily responsible for drawing up and approving the agenda for each Committee meeting. The chair, with the assistance of the secretary, shall ensure that all members shall receive sufficient information in a timely manner to enable effective discussion at the Committee meeting. The chair shall, with the assistance of the person responsible for Human Resources, brief all members on issues arising at each Committee meeting. The secretary shall circulate the draft and final versions of the minutes of meetings and reports of the Committee to all members for comments and records within a reasonable time after each meeting, subject to any legal or regulatory restrictions restricting such circulation or the making of such reports. The chair shall report in the forthcoming Regular Board Meeting any key decisions made and shall table before the Board an index of meetings and issues discussed.
11. The secretary of the Committee shall record minutes of all duly constituted meetings of the Committee. All minutes shall record in sufficient details the matters considered, decisions reached or recommendations made and any concerns raised by any member including dissenting views.

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