

HONY MEDIA GROUP

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 419)

**Terms of Reference of the Remuneration Committee
of the Board of Directors (the “Board”) of the Company**

1. CONSTITUTION

The Board of Hony Media Group (the “Company”) has resolved to establish a Remuneration Committee (“Remuneration Committee”).

2. MEMBERSHIP

- a. The members of the Remuneration Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than two members, a majority of whom should be independent non-executive directors of the Company. A Director shall automatically cease to be a member of the Remuneration Committee upon ceasing to hold the position of a director of the Company;
- b. The Chairman of the Remuneration Committee appointed by the Board must be a member of the Remuneration Committee and an independent non-executive director of the Company;
- c. The secretary of the Remuneration Committee shall be the Company Secretary of the Company; and
- d. The appointment of members of the Remuneration Committee may be revoked or modified by separate resolutions passed by the Board.

3. PROCEEDINGS OF THE REMUNERATION COMMITTEE

3.1 Notice

- a. Notice of any meetings of the Remuneration Committee has to be given at least 14 days prior to any such meeting being held. Any member may waive any notice required to be given by law or under these terms of reference, and the attendance of a member at a meeting shall be deemed to be a waiver by such member. Any member of the Remuneration Committee may, and the secretary of the Remuneration Committee on the request of a member of the Remuneration Committee shall, at any time summon a meeting of the Remuneration Committee. Notice shall be given to each member of the Remuneration

Committee in writing or verbally (including in person or by telephone) or by electronic means to an electronic address from time to time notified to the secretary by such member of the Remuneration Committee or in such other manner as the members may from time to time determine. Any notice given verbally shall be confirmed in writing;

- b. Notice of meeting shall state the place, date and time of the meeting; and
- c. An agenda together with other documents which may be required to be considered by the members of the Remuneration Committee for the purposes of the meeting shall be circulated to all members in a timely manner and at least 3 days before the intended date of the meeting.

3.2 Quorum

The quorum of the Remuneration Committee meeting shall be two (2). Any member of Remuneration Committee may participate in a meeting by means of a conference telephone, electronic or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously and, for the purpose of counting a quorum, such participation shall constitute presence at a meeting as if those participating were present in person. The Chairman of Remuneration Committee shall preside as chairman at every meeting of the Remuneration Committee. In the absence of the Chairman, the members present may choose one of their members (another independent non-executive director) to be chairman of the meeting.

3.3 Frequency of meetings

Meetings shall be held at least once every year.

4. MINUTES AND WRITTEN RESOLUTIONS

- a. A written resolution, signed by all members of the Remuneration Committee, shall be as valid as if it had been passed at a meeting of the Remuneration Committee;
- b. The secretary of the Remuneration Committee shall circulate the draft and final versions of the minutes of the meeting or written resolutions of the Remuneration Committee to all members of the Remuneration Committee for their comment and records, respectively, within a reasonable time after the meeting;
- c. The secretary of the Remuneration Committee shall record individual attendance of members of the Remuneration Committee, on a named basis, at meetings, and

- d. The secretary of the Remuneration Committee shall keep full minutes of the meetings and written resolutions of the Remuneration Committee.

5. ANNUAL GENERAL MEETING

The Chairman of the Remuneration Committee shall attend the annual general meeting of the Company ("AGM"). If the Chairman of the Remuneration Committee is unable to attend the AGM, another member of the Remuneration Committee or failing this his duly appointed delegate, shall be available to answer questions at the AGM.

6. AUTHORITY

The Remuneration Committee may exercise the following powers in order to perform its duties:

- a. to request any necessary information from any employee of the Company (together with its subsidiaries from time to time, collectively referred to as the "Group");
- b. to obtain independent professional advice, if necessary, at the Company's expense, and receive adequate resources; and
- c. to consult the chairman of the Board and/or chief executive about their remuneration proposals for other executive directors.

7. DUTIES

The duties of the Remuneration Committee shall include, without limitation:

- a. to make recommendations to the Board on the Company's policy and structure for all directors' and senior management's 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 determine, with delegated responsibility, the remuneration packages 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;
- 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 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 the dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- h. to ensure that no director or any of their associate is involved in deciding that director's own remuneration; and
- i. to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules to ensure compliance with disclosure and approval requirements.

8. REPORTING PROCEDURES

The secretary of the Remuneration Committee shall report formally to the Board at the next meeting of the Board following a meeting of the Committee, on matters within its remit.

9. CONTINUING APPLICATIONS OF THE BYE-LAWS OF THE COMPANY

The bye-laws of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and not inconsistent with the provisions of these terms of reference shall apply, mutatis mutandis, to regulate the meetings and proceedings of the Remuneration Committee.

In the event of any inconsistency, the English language text of these terms of reference shall prevail over the Chinese language text.