

HKR INTERNATIONAL LIMITED
香港興業國際集團有限公司*
(the “Company”)

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

Formation

The RemCom was formed by the board of directors of the Company (the “Board”) on 2 December 2004.

Composition, Notice and Quorum

- The RemCom shall comprise not less than 3 members with a majority of independent non-executive directors (“INEDs”).
- The chairman of RemCom shall be an INED.
- Prior notice in writing or by telephone should be given to all RemCom members unless otherwise waived by members in writing. The presence of a member at the meeting deems to have given his/her consent to a waiver or short notice.
- Quorum of meeting of the RemCom shall be 2 and resolutions of the RemCom shall be passed by a majority vote present at the meeting.
- The head of Group Human Resources Department shall be the secretary of the RemCom.

Authority and Duties

The RemCom shall:

1. make recommendations to the Board on the Company’s policy and structure for all directors’ and senior managements’ remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
2. review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives;
3. have the delegated responsibilities to determine the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment. Factors which should be taken into consideration include but not limited to salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the group per performance;

4. 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 otherwise fair and not excessive;
5. make recommendations to the Board on the remuneration of non-executive directors;
6. review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they consistent with contractual terms and are otherwise reasonable and appropriate;
7. ensure that no director or any of his/her associates is involved in deciding his/her own remuneration;
8. approve and grant options under any share option scheme of the Company (the “Scheme”) as from time to time exists including but not limited to fix any terms for granting such options to any eligible participant pursuant to the Scheme and to execute such documents and/or to affix the Common Seal of the Company, when necessary;
9. advise shareholders of the Company on how to vote with respect to any service contracts of directors that require shareholders’ approval under rule 13.68 of Chapter 13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and
10. consult the chairman and/or the chief executive about their remuneration proposals for executive directors. The RemCom should have access to independent professional advice if necessary.

Updated on 26 March 2012

Notes:

- (i) *The above terms of reference of the RemCom were approved by the Board on 24 March 2005, amended on 22 September 2005, 9 October 2006, 6 December 2006, 22 July 2009 and 26 March 2012.*
- (ii) *As of 26 March 2012, the RemCom members comprised the Deputy Chairman & Managing Director namely, Mr CHA Mou Zing Victor and 3 INEDs namely, Dr CHENG Kar Shun Henry (Chairman of the RemCom), Mr CHEUNG Wing Lam Linus and Dr QIN Xiao.*

** Registered under Part XI of the Companies Ordinance, Chapter 32 of the laws of Hong Kong*