



HOP HING GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 47)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

(Revised on 1 April 2012)

1. AUTHORITY & MEMBERSHIP

The Committee must be established by the Company and it must be chaired by an independent non-executive director of the Company and comprising a majority of independent non-executive directors. A quorum shall be two members.

The terms of reference of the Committee must be approved by the Board.

2. FREQUENCY OF MEETINGS

Meetings shall be held not less than once a year. A meeting of the Committee could be by way of a physical meeting or telephone conference or by passing a written resolution by all members of the Committee.

3. ROLES AND DUTIES OF THE REMUNERATION COMMITTEE

The Committee shall have the following specific roles, duties and authority:–

- (a) to 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 and should be provided with sufficient resources to perform its duties;
- (b) to 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;

- (c) to review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives;
- (d) either:
 - (i) to determine, with delegated responsibility, individual executive director's and senior management's remuneration packages; or
 - (ii) to make recommendations to the board on individual executive director's and senior management's remuneration packages.

This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

- (e) to make recommendations to the board on the remuneration of non-executive directors;
- (f) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- (g) 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;
- (h) 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;
- (i) to ensure that no director or any of his associates is involved in deciding his own remuneration; and
- (j) to make available the Committee's terms of reference, explaining its role and the authority delegated to by the board by including them on the Hong Kong Stock Exchange's website and the Company's website.