

**HOP FUNG GROUP HOLDINGS LIMITED**  
**(“the Company”)**

**TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

**Constitution**

1. The Remuneration Committee (“the Committee”) was established by resolutions of the board of directors (the “Board” or “Directors”) on 30th May, 2005.

**Membership**

2. The members of the Committee shall be appointed by the Board and shall consist of not less than three members.
3. The majority of the Committee members must be independent non-executive Directors.
4. The chairman of the Committee shall be appointed by the Board and shall be an independent non-executive Director.

**Meetings**

5. The company secretary shall act as the secretary of the Committee.
6. The Committee should meet at least once a year. Additional meetings should be held as the work of the Committee demands.
7. The quorum of the Committee shall be two members.

**Authorities**

8. The Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorized to seek any remuneration information it required from the Directors who are directed to co-operate with the Committee.
9. The Committee is authorized by the Board to obtain outside independent legal or professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

## **Duties**

10. Make recommendations to the Board on the Company's policy and structure for all remuneration of the Directors and on the establishment of a formal and transparent procedure for developing such remuneration policy;
11. Responsible for determine the specific remuneration packages of all executive Directors, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive Directors. The Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the group and desirability of performance-based remuneration;
12. Review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
13. Review and approve the compensation payable to executive Directors in connection with any loss or termination of their office or appointment in order to ensure that such compensation is determined in accordance with the relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;
14. Review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct in order to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate; and
15. Ensure that no Director or any of his associates is involved in deciding his own remuneration.

## **Reporting Procedures**

16. The Committee shall report to the Board on a regular basis. At the next Board meeting following a Committee's meeting, the Committee's chairman shall report the Committee's findings and recommendations to the Board.

## **Terms Available**

17. The terms of reference of the Committee will be published on the websites of the Company and Hong Kong Exchanges and Clearing Limited. A copy of the terms of reference will be made available to any person without charge upon request.