

# HANNY HOLDINGS LIMITED

## 錦興集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 275)



### TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

#### *Constitution*

1. The board of directors (the “Board”) of Hanny Holdings Limited (the “Company”) has resolved to establish a committee known as the Remuneration Committee (the “Committee”).

#### *Membership*

2. All members of the Committee shall be appointed by the Board. The Committee shall consist of not less than three members, a majority of whom shall be independent non-executive directors.

#### *Chairman*

3. The Chairman of the Committee shall be appointed by the Board.

#### *Secretary*

4. The Head of Group Human Resources and Administration Department or his/her nominee shall be the secretary of the Committee unless the Committee determines otherwise.

#### *Quorum*

5. The quorum for the meetings of the Committee shall be two members.

#### *Meetings*

6. Meetings of the Committee shall be held at least once a year and shall be summoned by the secretary of the Committee at the request of any member thereof.
7. Only the members and the secretary of the Committee have the right to attend the Committee meetings. However, other individuals such as executive directors, the managing director and external advisers may be invited to attend for all or part of any Committee meeting as and when appropriate.

***Authority***

8. The Committee is authorised by the Board to investigate any matter within its terms of reference and seek any information it requires from any employee or directors of the Company in order to perform its duties.
9. The Committee is authorised by the Board to obtain any outside independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

***Duties***

10. The duties of the Committee shall be:
  - (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 make recommendations to the Board on 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;
  - (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 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 his associates is involved in deciding his own remuneration;
  - (i) to consult the chairman of the Board and/or the managing director about their remuneration proposals for other executive directors; and
  - (j) to address and deal with such other matters as the Board may from time to time delegate to it.

***Proceedings***

11. Except as required by law, a resolution signed by all the members of the Committee is as valid as if it had been passed at a meeting of the Committee.
12. Any member of the Committee may participate in a meeting of the Committee by means of such telephone, electronic or other communication facilities that permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.

***Reporting procedures***

13. The Committee shall report to the Board its activities as it may require from time to time, or on its decisions or recommendations, unless there are legal or other regulatory restrictions on disclosure.
14. Full minutes of the Committee meetings and reports should be kept by the secretary of the Committee. The secretary of the Committee shall circulate the minutes of meetings and reports of the Committee to the members of the Board upon their request.

***Publication of the Terms of Reference***

15. The terms of reference will be posted on the website of the Company and the website of the Stock Exchange of Hong Kong Limited.

\*\* First adopted on 13 June 2005  
Amended on 4 May 2009  
Amended on 28 March 2012