



恒安國際集團有限公司*

HENGAN INTERNATIONAL GROUP COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code:1044)

Terms of Reference of Remuneration Committee

(Amended and restated with effect from 1 April 2012)

Constitution

1. The Board has resolved the establishment of the Remuneration Committee (the “Committee”) on July 21, 2005.

Membership

2. All members of the Committee shall be appointed by the board of the directors of the Company (the “Board”) and can be removed by the Board at its sole discretion. The Committee shall comprise a minimum of three Directors.
3. The majority of the members of the Committee (the “Members”) shall be Independent Non-executive Directors (“INEDs”).
4. The chairman of the Committee shall be an INED.
5. The Board shall from time to time vary the composition of the Committee as may be required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as modified from time to time (the “Listing Rules”), or other codes, rules and regulations as may be prescribed by the applicable regulatory authority from time to time.

Secretary

6. The Company Secretary should be the secretary of the Committee.

Authority

7. The Committee shall report directly to the Board and shall, where appropriate, consult the Chairman and/or Chief Executive of the Company about their remuneration proposals for other Executive Directors and senior management.

8. The Committee is authorized to obtain outside external professional advice and to secure the attendance of outsiders with relevant experience and expertise if necessary.
9. The Committee shall be provided with sufficient resources to perform its duties.

Duties

10. The duties of the Committee shall be:
 - (a) to make recommendations to the Board on the policy and structure of the Company for all Directors' and senior management 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) either, to determine, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management, or to make recommendations to the Board on 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, responsibilities and employment conditions elsewhere in the group and the market.
 - (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 determining his own remuneration.

- (i) to review from time to time as appropriate these Terms of Reference and the effectiveness of the Committee and recommend to the Board any necessary changes.

Committee Meetings

Frequency

11. The Committee shall meet at least once a year. Additional meetings should be held if the Committee shall so request.

Notice

12. Notice of any meetings of the Committee has to be given at least 14 days prior to any such meeting being held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a Member shall be deemed waiver of the requisite length of notice by the Member. Notice of any adjourned meetings is not required if adjournment is for less than 14 days.

Quorum

13. The quorum for decisions of the Committee should be any two Members, of whom at least one has to be INED.

Resolutions

14. Resolutions of the Committee shall be passed by a majority of votes which can also be passed by way of unanimous written resolutions. Meetings can be held in person, or through other electronic means of communication, e.g. by telephone or by video conference, etc.

Minutes

15. The secretary of the Committee should keep full minutes of all Committee meetings. Draft and final versions of minutes of meetings of the Committee should be sent to all Members for their comment and records respectively, in both cases within a reasonable time after the meeting.

Publication of the Terms of Reference

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

** for identification purpose only*