

HONG KONG RESOURCES HOLDINGS COMPANY LIMITED

(the “Company”)

Terms of Reference of Remuneration Committee

(the “Committee”)

1. Membership

- 1.1 Members of the Committee shall be appointed by the board of directors of the Company (the “Board”) and shall consist of not less than three members, a majority of whom shall be independent non-executive Directors.
- 1.2 Appointments to the Committee shall be for a period of up to three years, which may be extended by the Board provided that a majority of the committee members remain independent non-executive Directors.
- 1.3 The Committee shall be chaired by an independent non-executive Director.
- 1.4 Each member of the Committee shall disclose to the Committee:
 - (a) any personal financial interest (other than as a Shareholder of the Company) in any matter to be decided by the Committee; or
 - (b) any potential conflict of interest arising from a cross-directorship.
- 1.5 Any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions, and shall (if so required by the Board) resign from the Committee.

2. Secretary

- 2.1 Unless it is agreed otherwise, the company secretary shall assume the role of the secretary of the Committee.

3. Quorum

- 3.1 The quorum for meetings of the Committee shall be three members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4. Frequency of Meetings

- 4.1 The Committee shall meet at least once a year. The chairman of the Committee shall convene a meeting upon request by any member of the Committee.
- 4.2 Special meetings may be convened as required. The Secretary of the Committee will convene a meeting on receipt of a request by any member of the Committee.

5. Notice of Meetings

- 5.1 Meetings of the Committee shall be convened by the Chairman of the Committee.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend at least 7 days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at least 3 clear days in advance of the meeting.
- 5.3 Senior management is obliged to supply the Remuneration Committee with adequate information in a timely manner in order to enable it to make informed decisions. The information supplied must be complete and reliable. Where any Director requires more detailed and complete information from senior management, that Director should make any additional necessary enquiries. The Board and each Director shall have separate and independent access to senior management.

6. Minutes of Meetings

- 6.1 Minutes of meetings of the Committee shall be kept by the secretary of the meeting (the company secretary). Draft and final versions of the minutes shall be sent to all members of the Committee for their comments and records respectively, in each case, within a reasonable time (generally in 14 days) after the meeting.

7. Annual General Meeting

- 7.1 The Chairman of the Committee should, as far as practicable, attend the Annual General Meeting and make himself/herself available to respond to any shareholder questions on the Committee activities.

8. Duties

- 8.1 The authority of the Committee is derived from the Board, therefore the Committee is obliged to report to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions in doing so. The Committee should consult the Chairman of the Company on their proposal and their views relating to remuneration of other executive Directors and senior management. The Committee members should have access to professional advice if necessary.

The duties of the Committee are as follows:

- 8.2 Recommend to the Board on policy and structure for all Directors and senior management remuneration;

- 8.3 Establish a formal and transparent procedure for developing remuneration policy;
- 8.4 Determine remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payable for loss or termination of office or appointment;
- 8.5 Make recommendations to the Board on the remuneration of non-executive Directors;
- 8.6 Review and approve management's remuneration proposals with reference to corporate goals and objectives; Consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the group;.
- 8.7 the compensation payable to executive Directors and senior management for any loss or termination of their office or appointment to ensure that it is determined in accordance with contractual terms and that such compensation is otherwise fair and not excessive;
- 8.8 Review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and that they are otherwise reasonable and appropriate;
- 8.9 Ensure that no Director or any of his associates is involved in deciding his own remuneration; and
- 8.10 Review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

9. Reporting Responsibilities

- 9.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

10. Authorities

- 10.1 The Committee is authorised by the Board to discharge its duties within these Terms. It is authorised to seek any information it requires from the Directors and/or senior management who are directed to co-operate with the Remuneration Committee.
- 10.2 The Committee is authorised by the Board to obtain external independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
- 10.3 The Committee shall be provided with sufficient resources to perform its duties. The Committee should be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external remuneration consultant who advises the Remuneration Committee.