



HENGDELI HOLDINGS LIMITED

亨得利控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3389)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

The Remuneration Committee

1. The board of directors (the “**Board**”) of Hengdeli Holdings Limited (the “**Company**”) established a committee of the Board known as the Remuneration Committee (the “**Remuneration Committee**”), its constitution and particular duties are set out below:–

Membership

2. The members of the Remuneration Committee shall be appointed by the Board, the majority of which shall be independent non-executive directors of the Company and it shall be chaired by an independent non-executive director.
3. The Committee shall consist of not less than three members. A quorum of a meeting of the Committee shall be two members.
4. The Company Secretary shall act as the Secretary of the Committee.

Frequency of meetings

5. Meetings of the Remuneration Committee shall be held not less than once a year.

Authorities and Duties

6. The Remuneration Committee is authorised by the Board and its duties shall include the followings:
 - (a) 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;
 - (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. This should include benefits in kind, pension right 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 of which the Company is a member company;
- (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 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;
- (j) engage such external professional advisors to assist and/or advise the Committee on issues as it considers necessary;
- (k) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- (l) conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board.

Reporting procedures

7. The secretary of the Remuneration Committee shall circulate the minutes of the meetings of the Remuneration Committee to all members of the Board within 14 days after the conclusion of the relevant meeting of the Remuneration Committee.