

These Terms are prepared in English. In the event that there is any discrepancy or inconsistency between the English version and the Chinese version, the English version shall prevail.



Hang Chi Holdings Limited

恒智控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8405)

REMUNERATION COMMITTEE TERMS OF REFERENCE

1 Constitution

The board of directors (the “**Board**”) of Hang Chi Holdings Limited (the “**Company**”) constitutes and establishes a remuneration committee (the “**Remuneration Committee**”) with authority, responsibility and specific duty described below.

2 Membership

- 2.1 Members of the Remuneration Committee (the “**Members**”) shall be appointed by the Board.
- 2.2 The Remuneration Committee shall comprise a minimum of three Members. The majority of the Members shall be independent non-executive directors.
- 2.3 The chairman of the Remuneration Committee shall be appointed by the Board and shall be an independent non-executive director.
- 2.4 The company secretary of the Company or any other person with appropriate qualification and experience as appointed by the Remuneration Committee from time to time shall be the secretary of the Remuneration Committee.

3 Meetings

- 3.1 The Remuneration Committee shall meet with such frequency and at such times as it may determine, but in any event not less than once a year.
- 3.2 Unless waived by all Members on notice, the secretary of the Remuneration Committee shall give seven days prior notice to all Members for any meeting to be convened and circulate the meeting agenda to the Members.

- 3.3 The quorum for a meeting shall be two Members.
- 3.4 Meetings shall be held in person or by means of a conference telephone, electronic or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously.
- 3.5 Resolutions of the Remuneration Committee at any meeting shall be passed by a majority of votes of the Members present.
- 3.6 A resolution in writing signed by all the Members shall be as valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly convened and held.
- 3.7 Full minutes of the Remuneration Committee meetings shall be kept by the secretary of the Remuneration Committee. Draft and final versions of minutes shall be sent to all Members for their comment and records within a reasonable time after the meeting.
- 3.8 At the invitation of the Remuneration Committee, the directors, external advisers and other persons may attend all or part of any meeting. However, only the Members are entitled to vote at the meetings.

4 Authority

- 4.1 The Remuneration Committee shall have access to independent professional advice if necessary.
- 4.2 The Remuneration Committee shall be provided with sufficient resources to perform its duties.

5 Responsibility and Duty

The main responsibilities and duties of the Remuneration Committee should include:

- 5.1 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;
- 5.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 5.3 to make recommendations to the Board on the remuneration packages of individual executive directors and senior management. This shall include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

- 5.4 to make recommendations to the Board on the remuneration of non-executive directors;
- 5.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- 5.6 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;
- 5.7 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;
- 5.8 to ensure that no director or any of his associates is involved in deciding his own remuneration; and
- 5.9 the chairman of the Remuneration Committee or in his absence, another Member or failing this, his duly appointed delegate, shall attend and be available to answer questions at the annual general meeting of the Company.

6 Reporting

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

Adopted by the Board on 21 June 2017.