

HANISON CONSTRUCTION HOLDINGS LIMITED
(THE “COMPANY”)
(Stock Code: 896)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

Membership

The Remuneration Committee (the “Committee”) shall be appointed by the Board of Directors (the “Board”) and shall comprise of three independent non-executive directors and any other two directors of the Company. The Committee shall be chaired by an independent non-executive director.

Meetings

Quorum shall be any three members of the Committee with a majority of independent non-executive directors present. The meetings and proceedings are governed by the provisions contained in the Company’s Articles of Association for regulating the meetings and proceedings of directors.

Duties

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 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 consult the Chairman and/or the Managing Director of the Company about their remuneration proposals for all directors and senior management and should have access to independent professional advice if necessary;
- (d) to determine, with delegated responsibility, 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, and make recommendations to the Board on the remuneration of non-executive directors. The Committee should consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;

- (e) 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;
- (f) to review and approve the 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;
- (g) to ensure that no director or any of his associates is involved in deciding his own remuneration;
- (h) to deal with any matters as may be delegated by the Board or required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited from time to time; and
- (i) to delegate any of the aforesaid duties as the Committee deems appropriate to the management of the Company.

Note:

For the purpose of these terms of reference, “senior management” should refer to the same category of persons as referred to in the Company’s annual report.

20 March 2012