



RENHENG ENTERPRISE HOLDINGS LIMITED

仁恒實業控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3628)

REMUNERATION COMMITTEE TERMS OF REFERENCE

1. Membership

- 1.1 The remuneration committee (the “Remuneration Committee”) shall consist of not less than three members appointed by the board of directors (the “Board”) of RENHENG Enterprise Holdings Limited (the “Company”).
- 1.2 The majority of the Remuneration Committee shall be independent non-executive directors.
- 1.3 The chairman of the Remuneration Committee (the “Chairman”) shall be appointed by the Board.

2. Secretary

- 2.1 The company secretary of the Company shall be the secretary of the Remuneration Committee (the “Secretary”).
- 2.2 The Remuneration Committee may from time to time appoint any other person with appropriate qualification and experience as the Secretary.

3. Meetings

- 3.1 The Remuneration Committee shall meet at least one time per year.
- 3.2 The Chairman may convene additional meetings at his discretion.
- 3.3 The quorum of the Remuneration Committee shall be any two members.
- 3.4 Minutes shall be kept by the Secretary. Draft and final versions of minutes shall be circulated to all members of the Remuneration Committee for their comment and record within a reasonable period of time after each meeting.
- 3.5 An agenda and accompanying papers shall be sent, in full, to all members of the Remuneration Committee in a timely manner and at least 3 days before the date of a meeting of Remuneration Committee.

4. Attendance at meetings

- 4.1 At the invitation of the Remuneration Committee, other members of the Board or any other persons may attend all or part of meetings.
- 4.2 The Chairman shall attend the Company's annual general meetings and be prepared to respond to any questions from shareholders in respect of the activities of Remuneration Committee.

5. Responsibility, power and discretion

The Remuneration Committee is required to:

- 5.1 review and 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 review and make recommendations to the Board on the remuneration packages, including benefits in kind, pension rights and compensation payments, of executive directors of the Company and senior management by considering different factors such as respective individual performance, salaries paid by other comparable companies, employment conditions provided by other comparable companies, etc;
- 5.3 make recommendations to the Board on the remuneration of the non-executive directors (including independent non-executive directors) of the Company by considering different factors such as fees paid by other comparable companies, responsibilities and time spent by the non-executive directors;
- 5.4 review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- 5.5 ensure no director of the Company or any of his/her associates is involved in deciding his/her own remuneration;
- 5.6 review and approve compensation payable to executive directors of the Company 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; and
- 5.7 review and approve compensation arrangements relating to dismissal or removal of directors of the Company for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate.

6. Reporting responsibility

- 6.1 The Remuneration Committee shall report to the Board after each meeting.

7. Authority

7.1 The Remuneration Committee is authorised by the Board to seek for appropriate independent legal and professional advice when it is necessary.

7.2 The Remuneration Committee shall be provided with sufficient resources to discharge its duties.

8. Publication of terms of reference

8.1 These terms of reference will be posted on the website of the Main Board of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and of the Company.

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