



Hopewell Highway Infrastructure Limited

合和公路基建有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 737)

Remuneration Committee – Terms of Reference

Objective

The Remuneration Committee (the “**Committee**”) is to assist the board of directors of Hopewell Highway Infrastructure Limited (the “**Company**”) (the “**Board**”) for development and administration of the procedure and policy on the remuneration of directors (“**Directors**”) and senior management of the Company.

"Senior management" shall refer to the same category of persons as referred to in the Company's annual report and such other category of persons as may be determined by the Board.

On 1 July 2005, the Board adopted the terms of reference of the Committee in order to comply with the then amendments to the Code on Corporate Governance Practices (renamed as the Corporate Governance Code and Corporate Governance Report (the “**Code**”), Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”). In light of the latest amendments made to the Code (which will take effect on 1 April 2012), the Board has adopted the following revised terms of reference of the Committee on 23 February 2012 in accordance with such amendments.

Membership & Secretary

1. **Composition** : The Committee shall have at least 3 members (“**Members**”). All Members shall be appointed and removed by the Board.

The majority of the Members shall be Independent Non-Executive Directors (“**INED**”).

2. **Chairman** : The Chairman of the Committee shall be appointed by the Board and must be an INED.

3. **Secretary** : The head of Group Human Resources Department of the holding company of the Company, or in his/her absence, his/her representative, shall act as the Secretary of the Committee.

The Committee may from time to time appoint any other person with appropriate qualification and experience as the Secretary of the Committee.

Authority

4. The Committee shall **consult the Chairman of the Board and/or Managing Director** about their remuneration proposals for other Executive Directors.
5. The Committee is authorized by the Board to **seek any relevant information and all requisite resources (including without limitation, independent professional advice)** from the Company or from external resources at the cost of the Company and to do all such things as to enable the Committee to discharge its duties and responsibility.

[Note: Arrangement to seek professional advice could be made directly by the Committee or through Company Secretarial Department.]
6. **No director** should be involved in deciding his own remuneration.

Duties

The Committee shall have the following duties:

- 7.(i) to make recommendations to the Board on:
 - (a) the Company's **policy and structure for all Directors' and senior management's remuneration**, and
 - (b) the establishment of a **formal and transparent procedure for developing remuneration policy**;
- (ii) to review and approve the **management's remuneration proposals** with reference to the Board's corporate goals and objectives;
- (iii) to make recommendations to the Board on the **remuneration packages of individual Executive Directors and senior management**. Such packages include benefits in kind, pension rights, compensation payments (including any compensation payable for loss or termination of their office or appointment);
- (iv) to make recommendations to the Board on the **remuneration of Non-Executive Directors**;
- (v) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- (vi) to review and approve **compensation payable to Executive Directors and senior management** for any loss or termination of their office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (vii) 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;

- (viii) to ensure that **no Director** or any of his/her associates is involved in **deciding his/her own remuneration**;
- (ix) when the occasion arises, to **advise shareholders on how to vote** with respect to any service contracts of Directors that require shareholders' approval under the Listing Rules (as may be amended from time to time);
- (x) the Chairman of the Committee or in his/her absence, another Member (who must be an INED) of the Committee shall attend the Company's annual general meeting(s) and be prepared to respond to shareholders' questions on the Committee's activities and their responsibilities;
- (xi) any other duties applicable to the Committee as specified in the Code or as delegated to the Committee by the Board from time to time; and
- (xii) to make available these terms of reference to any person without charge upon request and these terms of reference will be posted on the websites of the Company and Hong Kong Exchanges and Clearing Limited.

Meetings

- 8. **Frequency** : The Committee shall meet at least once every year. Additional meetings shall be held as the work of the Committee demands.
- 9. **Quorum** : The quorum of a meeting shall be two Members of whom at least one must be INED.
- 10. **Resolutions** : Resolutions of the Committee at any meetings shall be passed by a majority of votes of the Members present.

Meetings can be held in person, by telephone or by tele-conferencing or any other telecommunications facility provided that all participants are thereby able to communicate contemporaneously by voice with all other participants.

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 Committee duly convened and held.

The Secretary of the Committee shall keep minutes of all Committee meetings. Draft and final versions of minutes of meetings of the Committee shall be sent to all Members for their comment and record respectively, in both cases within a reasonable time after each meeting.

11. **Attendance** : The Committee may, from time to time, invite the Chairman of the Board, Managing Director, external advisers and/or other persons as may be considered by the Committee to be appropriate to attend all or any part of any meetings. However, only Members are entitled to vote at the meetings.

Reporting Procedures

12. The Committee shall report to the Board of its findings and recommendations.