

**HUAYU EXPRESSWAY GROUP LIMITED**  
**(the “Company”)**

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**Terms of reference of the Remuneration Committee (the “Committee”)**  
**of the Board of Directors (the “Board”) of the Company**

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**1. Constitution**

- 1.1 The Committee is established pursuant to a resolution passed by the Board at its meeting held on 30 November 2009 with its responsibilities:
- (a) to make recommendations to the Board on the Company’s policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
  - (b) to have the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payments, and make recommendations to the Board the remuneration of non-executive directors. Factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Company and its subsidiaries (the “Group”) and desirability of performance-based remuneration should be considered;
  - (c) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
  - (d) to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;
  - (e) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
  - (f) to ensure that no director or any of his associates is involved in deciding his own remuneration; and

- (g) in respect of any service agreement to be entered into between any members of the Group and its director or proposed director to review and provide recommendation to the shareholders of the Company (other than shareholders who are director with a material interest in the relevant service agreements and their respective associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”))) as to whether the terms of the service agreements are fair and reasonable and whether such service agreements are in the interests of the Company and the shareholders as whole, and to advise shareholders on how to vote.

## **2. Membership**

- 2.1 Members of the Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members, a majority of whom shall be independent non-executive directors.
- 2.2 The Board shall nominate a member of the Committee as the chairman (the “**Chairman**”).
- 2.3 The Chairman and members of the Committee are:  
  
Chairman: Hu Lie Ge  
  
Member: Chu Kin Wang, Peleus  
  
Chen Kai Shu
- 2.4 The appointment of the members of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee.

## **3. Proceedings of the Committee**

- 3.1 Notice of Meeting:
  - (a) Unless otherwise agreed by all the Committee members, a meeting shall be convened by at least fourteen (14) days’ notice.
  - (b) A Committee member may at any time summon a Committee meeting.
  - (c) Notice shall be given to each Committee member in person orally or in writing or by telephone or by facsimile transmission or email at numbers or addresses from time to time notified to the secretary of the Company by such Committee member or in such other manner as the Committee members may from time to time determine.
  - (d) Any notice given orally shall be followed by confirmation in writing before the meeting.

(e) Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting.

3.2 The quorum of the Committee meeting shall be two members of the Committee.

3.3 Other Board members shall also have the right of attendance.

#### **4. Written resolutions**

4.1 Written resolutions may be passed by all Committee members in writing.

#### **5. Alternate Committee members**

5.1 A Committee member may not appoint any alternate.

#### **6. Authorities of the Committee**

6.1 The Committee has the authority delegated to it from the Board to deal with the matters set out in clauses 1.1(a) – (g) above.

6.2 The Committee shall be provided with sufficient resources to discharge all of its responsibilities.

6.3 The Committee shall have access to professional advice at the reasonable expense of the Company if considered necessary.

6.4 The Committee shall be made available these Terms of Reference by making it available on request and by including the information on the Company's website.

#### **7. Reporting procedures**

7.1 Full minutes of Committee meeting shall be kept by the secretary of the Company. The secretary of the Company shall circulate the draft and final version of minutes of meetings to the members of the Committee for their comments and records respectively and all written resolutions of the Committee to all members of the Board within a reasonable time.

#### **8. Continuing application of the articles of association of the Company**

8.1 The articles of association of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

**9. Powers of the Board**

- 9.1 The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including the Code on Corporate Governance Practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.
10. If there is any inconsistency between the English and Chinese terms of reference, English version will prevail.

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