

Shui On Construction and Materials Limited
Remuneration Committee
Terms of reference

Objectives:

To advise the Board on the reward philosophy, the remuneration and terms and conditions of the Executive Directors and senior management by reference to fair and objective standards.

Functions:

1. To make recommendations to the board on the 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.
2. To determine the specific remuneration packages of all 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 of the remuneration of non-executive directors, taking into account factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the group and desirability of performance-based remuneration.
3. To review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the board from time to time.
4. 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 is otherwise fair and not excessive for the Company.
5. 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.

6. To ensure that no director or any of his associates is involved in deciding his own remuneration.
7. To advise shareholders on how to vote with respect to any service contracts of directors that require shareholders' approval under the Listing Rules.

Membership:

The Committee shall consist of at least 3 members:

1. At least 2 Independent Directors, one of whom shall be the Chairman of the Committee
2. The Chairman of the Company

The Executive Director with responsibility for Human Resources will normally be invited to attend meetings to provide information and assistance as determined by the Committee. The Company Secretary serves as secretary to the Committee. Other members of the Board shall be in attendance as and when invited to do so.

Meetings:

The Committee shall meet at least twice every year.

Quorum : Two members