



## **CHINA ENGIN E INTERNATIONAL (HOLDINGS) LIMITED**

**中國航天萬源國際(集團)有限公司\***

*(在開曼群島註冊成立之有限公司)*

**(股份代號: 1185)**

### **TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE**

#### **1. Constitution**

The Directors of the Company have established a Committee of the Board known as the Remuneration Committee pursuant to Article 128 of the Articles of Association of the Company.

#### **2. Membership**

2.1 The Remuneration Committee shall consist of a minimum of three Directors, a majority of whom shall be Independent Non-Executive Directors.

2.2 Members of the Remuneration Committee may only be appointed or removed by the Board.

2.3 The Chairman of the Remuneration Committee shall be appointed and removed by the Board and must be an Independent Non-Executive Director.

#### **3. Quorum**

Unless otherwise agreed by all the members of the Remuneration Committee, two members of the Remuneration Committee shall be a quorum.

#### **4. Frequency**

The Remuneration Committee shall meet not less than once a year.

#### **5. Authority**

5.1 The Remuneration Committee is authorised to consult the Chairman and/or Chief Executive about their remuneration proposal for other Executive Directors.

5.2 The Remuneration Committee is authorised to obtain advice from any person, including independent professional advisors if necessary.

5.3 The Remuneration Committee will be provided with sufficient resources to perform its duties.

## **6. Duties and powers**

The Remuneration Committee is established with the following duties and powers:-

(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 objective;

(c) to make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management.

This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

(d) to make recommendations to the Board on the remuneration of Non-Executive Directors;

(e) to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the group;

(f) 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;

(g) 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; and

(h) to ensure that no Director or any of his associates is involved in deciding his own remuneration.

(i) A significant proportion of Executive Directors' remuneration should link rewards to comparative and individual performance.

*(Updated in March 2012)*

*\* For identification purpose only*