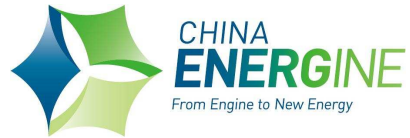


TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

- (1) To make recommendations to the board on the China EnginE'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;
- (2) To have the delegated responsibility to recommend at least one time per year 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. The remuneration committee should consider 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 recommend performance-based remuneration by reference to corporate goals and objectives resolved by the board from time to time;
- (4) To review and recommend 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 China EnginE;
- (5) To review and recommend 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.

Rule 13.68 – China EnginE shall obtain the prior approval of its shareholders of China EnginE in a general meeting for any service contract to be granted by China EnginE or any of its subsidiaries to any director or proposed director of China EnginE or to any director or proposed director of any of its subsidiaries which:

- (a) is for a duration that may exceed three years; or
- (b) in order to entitle China EnginE to terminate the contract, expressly requires China EnginE to give a period of notice of more than one year to pay compensation or make other payments equivalent to more than one year's emoluments.

- (7) The remuneration committee should make available its terms of reference, explaining its role and the authority delegated to it by the board.

Notes: This requirement could be met by making it available on request and by including the information on the issuer's website.