



中廣核礦業有限公司\*

CGN Mining Company Limited

(the “Company”)

## TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE (THE “COMMITTEE”)

Revised and effective on 15 March 2012

### 1. MEMBERSHIP

- 1.1 The members (“Members”) of the Committee shall be nominated by the board of directors (the “Board”) of the Company and shall comprise of a minimum of two Members. A majority of the Committee shall be independent non-executive directors appointed by the Board from time to time.
- 1.2 The Chairman of the Committee shall be an independent non-executive director nominated by the Board.
- 1.3 Subject to 1.2, if a regular Member is unable to act due to absence, illness or any other cause, the Chairman of the Committee may appoint another non-executive director of the Company to serve as an alternate Member. Attendance at Committee meetings by an alternate Member should not be counted as attendance by the Member himself.
- 1.4 The appointment of Members may be revoked, or additional Members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee.

### 2. SECRETARY

- 2.1 The Company Secretary (whom failing, a person nominated by the Chairman of the Committee) or a duly appointed secretary with appropriate qualification and experience shall be appointed as secretary of the Committee and shall attend all of its meetings.

### 3. MEETINGS, NOTICES & MINUTES

- 3.1 The Committee shall meet as its business requires and as determined by its Members. The Committee will meet at least once a year.
- 3.2 The meeting shall be called by at least two days’ notice in writing, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a Member shall be deemed waiver of the requisite length of notice by the Member. Notice of any adjourned meetings is not required if adjournment is for less than 14 days.

\* for identification purposes only

- 3.3 Unless otherwise specified by the Board, two Members of the Committee with at least one independent non-executive director shall form a quorum. The meetings may be held in person, by telephone or by video conference or by other electronics means of communication by which all persons participating in the meeting are capable of hearing each other.
- 3.4 The Chairman, the Chief Executive Officer and external advisers may be invited to attend meetings of the Committee as and when appropriate.
- 3.5 Only Members are entitled to vote at the meetings.
- 3.6 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. Any such resolutions in writing may consist of several documents in like form each signed by one or more of the Members.
- 3.7 Minutes shall be kept by the secretary of the Committee as conclusive evidence of any such proceedings if they purport to be signed by the chairman of the meetings or by the chairman of the next succeeding meeting. Draft and final versions of minutes shall be circulated to all Members for their comments and records respectively, within a reasonable time after the meeting. Such minutes shall be open for Directors' inspection.

#### **4. AUTHORITY**

- 4.1 Specific authority is delegated to the Committee to decide on all elements of remuneration of the directors and senior management of the Company.
- 4.2 All Members can have access to the advice and services of the Company Secretary who is responsible to the Committee for ensuring that Committee procedures, and all applicable rules and regulations, are followed.
- 4.3 The Committee shall have access to sufficient resources to discharge its duties. The Committee is authorized by the Board where necessary and reasonable to obtain professional advice at the Company's expense, subject to notifying and obtaining the agreement of the Chairman of the Company.
- 4.4 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.
- 4.5 The Board may, subject to compliance with the articles of association of the Company and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") (including the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules or if adopted by the Company, the Company's own code of 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.

## **5. DUTIES AND RESPONSIBILITIES**

The Committee shall:

- 5.1 make recommendations to the Board on the Company's policy and structure for all directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- 5.2 to review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives;
- 5.3 be responsible for making recommendations to the board on the remuneration packages of individual 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. A significant proportion of executive directors' remuneration should link rewards to corporate and individual performance;
- 5.4 consult the Chairman and/or Chief Executive Officer of the Company about their proposals relating to the remuneration of other executive directors and senior management;
- 5.5 make recommendations to the Board on the remuneration and terms of appointments of non-executive directors;
- 5.6 in recommending remuneration, consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the group;
- 5.7 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;
- 5.8 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;
- 5.9 ensure that no director or any of his associates is involved in deciding his own remuneration;
- 5.10 advise shareholders of the Company on how to vote with respect to any service contracts of directors that require shareholders' approval under the Listing Rules; and
- 5.11 consider other matters, as defined or assigned by the Board from time to time.

Without limiting the authority of the Committee in the exercise of its powers and discretions such Committee shall have the following responsibilities:

- 5.12 to ensure the Board remuneration policies and practice facilitate the employment and motivation of top quality personnel;
- 5.13 to collect evidences on internal and external movements in remuneration, cash and benefits;
- 5.14 to conduct necessary surveys to assure market position or explore particular aspects of remuneration;
- 5.15 to maintain surveillance over benefits, including pensions, consider any significant development and make recommendations as appropriate; and
- 5.16 to ensure the Board remuneration administration operates on a best practice basis and is consistent with the requirements of the Listing Rules and other relevant laws and regulations.

## **6. REPORTING PROCEDURES**

- 6.1 The Chairman of the Committee shall report to the Board on the general conclusions reached at all of its meetings.

*The terms of reference will be posted on the Company's website and on the Stock Exchange's website.*

*The Chinese version of this document is for reference only. In case of any discrepancies or inconsistency between the English version and Chinese version, the English version prevails.*