

# **CIMC ENRIC**

**CIMC Enric Holdings Limited**

**中集安瑞科控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 3899)**

## **Terms of Reference of Remuneration Committee**

### Composition

1. The Committee shall be appointed by the Board from amongst the Directors and shall consist of at least three members.
2. The Committee shall be chaired by an Independent Non-executive Director and comprising a majority (that is, not less than two-third of the members) of Independent Non-executive Directors.
3. The chairman of the Committee shall be appointed by the Board.
4. The term of office of each Committee member is subject to the articles of association of the Company.
5. The appointment of a member can be terminated and a new member to fill the casual vacancy may be appointed by the Board by resolutions.
6. No alternate member shall be appointed.

### Secretary

7. The Company Secretary (or in his absence, his duly appointed representative or any one member of the Committee) shall be the secretary of the Committee's meetings.

### Attendance at meetings

8. Only members of the Committee shall have the right of attendance. Nonetheless, other person(s) such as the human resources officer of the Company and external consultants may be invited to attend any meetings, in part or in whole, where the Committee

considers necessary.

9. Only Committee members shall have the right to vote at meetings.

#### Frequency and procedures of meetings

10. Meetings shall be held at least once a year. Additional meeting(s) may be held should the Committee members see fit.
11. The chairman of the Committee may convene additional meeting(s) at discretion.
12. The quorum for meetings shall be two Committee members.
13. Procedures of meetings are subject to the provisions set out in the articles of association of the Company.

#### Annual general meeting

14. The chairman or a member of the Committee shall attend the annual general meeting of the Company to be available to answer questions in relation to the activities and responsibilities of the Committee.

#### Authority

15. The Committee should consult the Chairman of the Board and/or chief executive of the Company about their remuneration proposals for other Executive Directors.
16. The Committee is authorised to obtain from any Board members and/or employees of the Company any information in relation to remuneration for discharging its duties.
17. The Committee is authorised by the Board to have access to independent professional advice (if necessary), at the Company's expense, to perform its responsibilities and invite external parties with relevant experience and expertise to attend meetings (if necessary).
18. The Committee should be provided with sufficient resources to perform its duties.

### Responsibilities

19. The primary responsibility of the Committee is to establish a policy on Executive Directors' remuneration and all Directors' remuneration packages.

### Duties, power and functions

20. The duties, power and functions of the Committee include the followings:
- (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 objectives;
  - (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 the 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;
  - (h) to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration; and
  - (i) to advise shareholders on how to vote with respect to any service contracts of Directors that require shareholders' approval under rule 13.68 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reporting procedures

21. The Committee shall report to the Board after each meeting.
22. The secretary of the Committee's meetings shall send to all members of the Committee the draft and final versions of minutes of Committee meetings and of all written resolutions for their comment and records, within a reasonable time after the meeting. The secretary should also regularly report to the Board on the activities of and resolutions and proposals made by the Committee.
23. The chairman of the Committee shall report to the Board on the Committee's findings and recommendations at the Board meeting immediately following a Committee meeting. The Committee shall report to the Board annually on its performance and findings.
24. The report to the Board and minutes of the Committee meetings should be approved by the Committee before submitting to the Board.

Date of first adoption : 26 September 2005

Date of revision : 29 February 2012