

**NewOcean Energy Holdings Limited**  
**(新海能源集團有限公司) \***  
(the “Company”)  
(Incorporated in Bermuda with limited liability)

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**Terms of reference of the Remuneration Committee**  
**(“Remuneration Committee” or “Committee”)**  
**of the Board of Directors (“Board”) of the Company**  
( revised on 30 March 2012)

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**1. Constitution**

1.1 The Committee has been established pursuant to a resolution passed by the Board at its meeting held on 12<sup>th</sup> September, 2005.

**2. Membership of the Remuneration Committee**

2.1 The Committee shall consist of such number of members, which shall not be less than three, appointed by the Board from amongst the directors of the Company. A majority of members of the Committee shall be independent non-executive directors.

2.2 The Chairman of the Committee shall be appointed by the Board from amongst the members of the Committee.

2.3 The Company Secretary or such other person appointed by the Committee shall be the secretary of the Committee.

2.4 The Board may by resolution appoint additional members to or remove members from the Committee, provided that no appointment/removal shall take effect if as a result of such appointment/removal the number of members of the Committee shall be reduced to below three, or the number of independent non-executive directors shall no longer constitute a majority of the members of the Committee.

*\* for identification purpose only*

### **3. Meetings of the Remuneration Committee**

- 3.1 Unless otherwise agreed by all the members, meetings of the Committee shall be called by at least seven days' notice. Notice shall be given to each Committee member in person orally or in writing or by telephone or by telex or telegram or facsimile transmission at the telephone number or facsimile number or address from time to time notified to the secretary by such Committee member or in such other manner as the Committee members may from time to time determine. Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.
- 3.2 A Committee member may and, on the request of any Committee member the secretary to the Committee shall, at any time summon a Committee meeting.
- 3.3 Notice of meeting of the Committee shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting.
- 3.4 The quorum at a meeting of the Committee shall be two members and the majority shall be independent non-executive directors.
- 3.5 The Committee shall meet at least once each year. Additional meetings should be held as the business of the Committee demands.

### **4. Written resolutions**

- 4.1 Resolutions of the Committee may be passed by all Committee members in writing.

### **5. Overriding principles**

- 5.1 Levels of remuneration should be appropriate to attract and retain the directors and senior management needed to run the Company successfully, but the Company should avoid the giving of excessive benefits for this purpose.
- 5.2 No director should be involved in deciding his own remuneration.
- 5.3 The Committee should consult the chairman and/or chief executive officer about their proposals relating to the remuneration of other executive directors and senior

management and have access to professional advice if considered necessary.

## **6. Duties and Powers of the Remuneration Committee**

6.1 It shall be the duty of the Committee:

- (a) to make recommendations to the board on the Company'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;
- (b) to have the delegated responsibility 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. 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;
- (c) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the board from time to time;
- (d) 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 that such compensation is otherwise fair and not excessive for the Company
- (e) to review and approve compensation arrangements relating to dismissal or removal of directors of misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate; and
- (f) to report to the Board on the matters set out in these terms of reference.

6.2 The Committee shall have all the powers of the Board in the discharge of its duties, including powers:

- (a) to seek any information it requires from the Company's management for the purposes of discharging its responsibilities; and
- (b) to obtain professional advice if considered necessary.

**7. Attendance at General Meeting**

- 7.1 The chairman, or if appropriate, a member of the Committee shall attend each year at the annual general meeting of the Company in accordance with arrangements made by the Chairman of the Board and be available to answer questions at the annual general meeting.

**8. Minutes of the Remuneration Committee**

- 8.1 At a meeting of the Committee, full minutes should be kept by a duly appointed secretary for the meeting. Minutes of the Committee should be open for inspection at any reasonable time on reasonable notice by any director of the Company.
- 8.2 Minutes of the Committee should record in sufficient detail the matters considered by the Committee and decisions reached, including any concerns raised by directors or dissenting views expressed. Draft and final versions of minutes of the Committee meetings should be sent to all members of the Committee for their comments and records respectively, in both cases within a reasonable time after the meeting is held.