

# **CHINA PRECIOUS METAL RESOURCES HOLDINGS CO., LTD**

## **中國貴金屬資源控股有限公司**

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

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

#### **Membership**

1. The remuneration committee (the "Committee") of China Precious Metal Resources Holdings Co., Ltd. (the "Company") shall consist of three directors, of which a majority should be independent non-executive directors as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, appointed by the board of directors of the Company (the "Board") from time to time.
2. The Board shall nominate one of the three members as chairman of the Committee who should be an independent non-executive director.
3. The company secretary of the Company shall be the secretary of the Committee. The Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Committee.

#### **Frequency and proceedings of meetings**

4. The Committee shall meet at least once every year. Additional meetings may be convened by the chairman of the Committee as and when necessary.
5. Meetings of the Committee shall be convened by the secretary of the Committee at the request of any member thereof.
6. The quorum of a meeting shall be two members of the Committee.
7. Members of the Committee may participate in a meeting by means of a conference telephone or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously
8. Resolutions of the Committee at any meeting shall be passed by a majority of votes of the Committee members present.
9. A resolution in writing signed by all Committee members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

10. Minutes shall be kept by the secretary of the Committee. Draft and final versions of minutes shall be circulated to all Committee members for their comments and records respectively within a reasonable period of time after the meeting.
11. The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report the findings and recommendations of the Committee to the Board.

#### **Authority**

12. The Committee is authorized by the Board to seek any remuneration related information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
13. The Committee is authorized by the Board to obtain independent legal or other professional advice if considered necessary to perform its duties at the Company's expense.
14. The Committee should be provided with sufficient resources to perform its duties.

#### **Duties, powers and functions**

15. The Committee should consult the chairman of the Board and/or chief executive about their remuneration proposals for other executive directors.
16. The Committee shall:-
  - (i) 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;
  - (ii) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
  - (iii) either:
    - (a) determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management; or
    - (b) 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;

- (iv) make recommendations to the Board on the remuneration of non-executive directors;

- (v) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- (vi) 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;
- (vii) 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;
- (viii) ensure that no director or any of his associates is involved in deciding his own remuneration;
- (ix) do any such things to enable the Committee to perform its powers and functions conferred on it by the Board; and
- (x) conform to any requirements, direction and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation.

**Annual general meeting**

17. The chairman of the Committee or in his absence, another member of the Committee or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to questions at the annual general meeting on the Committee's work and responsibilities.

*Revised and effective on 23 March 2012*