



北大资源
PKU RESOURCES

PEKING UNIVERSITY RESOURCES (HOLDINGS) COMPANY LIMITED

北大资源 (控股) 有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00618)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

1. Membership

- 1.1 Members of the Remuneration Committee shall be appointed by the board of directors (the “Board”) of the Company.
- 1.2 The majority of the members of the Remuneration Committee shall be independent non-executive directors (“INEDs”).
- 1.3 The Chairman of the Remuneration Committee shall be appointed by the Board and must be an INED.

2. Secretary

- 2.1 The Company Secretary shall be the secretary of the Remuneration Committee.
- 2.2 The Remuneration Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Remuneration Committee.

3. Frequency and Proceedings of Meetings

Frequency of meetings

- 3.1 The Remuneration Committee shall meet at least once each year. Additional meetings of the Remuneration Committee may be held as and when

required.

Quorum

- 3.2 The quorum for meetings of the Remuneration Committee shall be any two members.

Attendance at meetings

- 3.3 Members of the Remuneration Committee may attend meetings of the Remuneration Committee either in person, by telephone or by video conference or through other electronic means of communication or in such other manner as the members may agree.
- 3.4 At the invitation of the Remuneration Committee, the Chairman of the Board, Head of Human Resources and relevant senior management, external advisers and other persons may be invited to attend all or part of any meetings.

Notice of meetings

- 3.5 A meeting of the Remuneration Committee may be convened by any of its members or by the secretary of the Remuneration Committee.
- 3.6 Notice of any meetings has to be given at least 14 days prior to any such meeting being held, unless all members of the Remuneration Committee waive such notice. Notice of any adjourned meetings is not required if adjournment is for less than 14 days.

Resolutions

- 3.7 Resolutions of the Remuneration Committee at any meetings shall be passed by a majority of votes of the members present.
- 3.8 A resolution in writing signed by all the members of the Remuneration Committee shall be as valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly convened and held.

Minutes of meetings

- 3.9 Draft and final versions of minutes of Remuneration Committee meetings shall be sent to all members of the Remuneration Committee for their comment and records within a reasonable time after the meeting.
- 3.10 Minutes of the Remuneration Committee shall be kept by the secretary of the Remuneration Committee and shall be available for inspection by any member of the Remuneration Committee or the Board at any reasonable time on reasonable notice.

4. Authority

- 4.1 The Remuneration Committee shall consult the Chairman of the Board about their remuneration proposals for other executive Directors and senior management.
- 4.2 The Remuneration Committee is authorised by the Board to seek any remuneration related information it requires from senior management of the Company in order to perform its duties.
- 4.3 The Remuneration Committee is authorised by the Board where necessary to have access to independent professional advice.
- 4.4 The Remuneration Committee shall be provided with sufficient resources to perform its duties.

5. Responsibility, Powers and Functions

The Remuneration Committee shall have the following responsibilities, powers and functions:

- 5.1 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.

- 5.2 To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.
- 5.3 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.
- 5.4 To make recommendations to the Board of the remuneration of non-executive Directors.
- 5.5 To consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group.
- 5.6 To review and approve compensation payable to executive Directors and senior management for any loss or termination of their office or appointment to ensure that it is determined consistent with contractual terms and are otherwise fair and not excessive.
- 5.7 To review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are determined consistent with relevant contractual terms and are otherwise reasonable and appropriate.
- 5.8 To ensure that no Director or any of his associates is involved in deciding his own remuneration.

6. Reporting Responsibility

- 6.1 The Remuneration Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

7. Annual General Meeting

- 7.1 The chairman of the Remuneration Committee or in his/her absence, another member of the Remuneration Committee shall attend the Company's Annual General Meeting and be prepared to respond to shareholders' questions on the Remuneration Committee's activities and their responsibilities.

Note:

If there is any inconsistency between the English and Chinese version of this Term of Reference, the English version shall prevail.

25 November 2013