

# Terms of Reference of the Remuneration Committee of the Board of Directors of China International Capital Corporation Limited

## Chapter I General Provisions

**Article 1** In order to improve and standardize the meeting and decision-making procedures of the remuneration committee (the “**Remuneration Committee**”) of the board of directors of China International Capital Corporation Limited (the “**Company**”) and improve the work efficiency and decision-making capability of the Remuneration Committee, these terms of reference of the Remuneration Committee (these “**Rules**”) are formulated pursuant to the *Company Law of the People’s Republic of China*, the *Securities Law of the People’s Republic of China*, the *Regulation on the Supervision and Administration of Securities Firms*, the *Rules for Governance of Securities Firms*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (hereinafter referred to as the “**Hong Kong Listing Rules**”) and other relevant laws, regulations, regulatory documents, and provisions of securities regulators and stock exchanges in the places where the Company’s shares are listed, as well as the Articles of Association of China International Capital Corporation Limited (hereinafter referred to as the “**Articles of Association**”) with reference to the Company’s actual situation.

**Article 2** The Remuneration Committee is a specialized working body under the board of directors. It shall be accountable to the board of directors, perform the powers and duties in accordance with relevant laws and regulations and the authorization of the board of directors, and submit its work reports to the board of directors.

## Chapter II Composition

**Article 3** The Remuneration Committee shall comprise three (3) or more directors, more than half of whom shall be independent non-executive directors. The Remuneration Committee shall have one (1) chairman who shall be an independent non-executive director.

The main duties of the chairman are as follows:

- (I) To convene regular and extraordinary meetings of the Remuneration Committee;
- (II) To preside over the meetings of the Remuneration Committee;
- (III) To supervise and inspect the implementation of resolutions of the Remuneration Committee;
- (IV) Other duties authorized by the board of directors and the Remuneration Committee.

**Article 4** The candidates for the chairman and other members of the Remuneration Committee shall be approved by the board of directors.

**Article 5** Members of the Remuneration Committee shall be elected for a term of office equivalent to that of the directors. They may serve consecutive terms if re-elected. Any member of the Remuneration Committee who ceases to be a director or who acts as an independent non-executive director but ceases to have his/her independence as required by the laws, regulations, regulatory documents, provisions of securities regulators and stock exchanges in the places where the Company's shares are listed, or the Articles of Association shall automatically cease to be a member of the Remuneration Committee. The board of directors shall fill the vacancy according to the Articles of Association and these Rules if the number of members of the Remuneration Committee fails to meet the requirements specified in Article 3 herein.

### **Chapter III Duties and Functions**

**Article 6** The specific functions of the Remuneration Committee are as follows:

- (I) To develop and implement a performance evaluation system that is adaptive to the changing market, a competitive remuneration policy, and reward and punishment measures that are linked to the operating performance of the Company, according to the characteristics of the financial and securities industries, the scopes, duties and importance of the positions of directors and members of senior management, and the remuneration levels of the relevant positions in comparable companies;
- (II) To make recommendations to the board of directors on the Company's remuneration policy and structure for all directors and the senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (III) To examine how the directors and members of senior management discharge their duties, carry out annual performance appraisals over them and make recommendations to the board of directors;
- (IV) To review and approve the management's remuneration proposals with reference to the corporate goals and objectives formulated by the board of directors;
- (V) To consider the remuneration packages of 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 directors on the remuneration of directors and senior management. The Remuneration Committee shall consider factors such as characteristics of the financial and securities industries, salaries paid by comparable companies, time commitment and responsibilities of the directors and senior management, individual performance, employment conditions elsewhere in the group when considering remuneration packages;

- (VI) To review and approve compensation payable to executive directors and the senior management members for any loss or termination of office or appointment (including dismissal or removal of directors for misconduct) to ensure that it is consistent with contractual terms and is otherwise reasonable and appropriate;
- (VII) To ensure that no director or any of his associates is involved in deciding his own remuneration. The Remuneration Committee shall, in accordance with Rule 13.68 of the Hong Kong Listing Rules, form a view in respect of service contracts that require shareholders' approval and advise shareholders as to whether the terms are fair and reasonable, advise whether such contracts are in the interests of the Company and its shareholders as a whole and advise shareholders (other than shareholders who are directors with a material interest in the service contracts and their associates) on how to vote.
- (VIII) To perform other duties stipulated in laws, regulations and provisions of securities regulators and stock exchanges in the places where the Company's shares are listed and as authorized by the board of directors.

**Article 7** The remuneration policy of the directors of the Company proposed by the Remuneration Committee shall be implemented after being approved by the board of directors and the shareholders at the shareholders' meeting; and the remuneration policy of members of senior management of the Company shall be implemented after being approved by the board of directors.

**Article 8** The Remuneration Committee may engage external professionals to provide services, and the reasonable expenses incurred shall be borne by the Company.

#### **Chapter IV Convening and Notice of Meetings**

**Article 9** Meetings of the Remuneration Committee include regular meetings and extraordinary meetings. Regular meetings should be convened at least once a year, and extraordinary meetings may be convened at the decision of the chairman of the Remuneration Committee or request of more than half of the Remuneration Committee members. Meetings shall be convened and presided over by the chairman; if the chairman cannot convene and attend a meeting in person, he/she may appoint another member to convene and preside over the meeting.

**Article 10** The meeting shall be held by way of physical meeting, video, telephone or deliberation in writing, and may also be held in the form of a combination of physical meeting and other forms as set out above.

Where the meeting is not held by way of physical meeting, the number of the members who attend the meeting shall be counted according to members present via videoconference, or members proposing comments in the conference call, or faxes or emails or other valid votes in writing actually received within a prescribed time limit, or written confirmation letters stating the attendance of the meeting submitted by members after the meeting.

**Article 11** In principle, a written notice shall be given to each member five (5) days before the Remuneration Committee meeting is convened, but such notice period may be waived upon the consent of two-thirds or more of the members.

**Article 12** Notice of the meeting shall include the following:

- (I) venue, time and manner of the meeting;
- (II) convener of the meeting;
- (III) agenda and topics of the meeting;
- (IV) date of dispatch of the notice;
- (V) the name and contact information of the contact person of the meeting.

**Article 13** Notice of the meeting shall be delivered by hand, registered mail, fax, email or by other means.

## **Chapter V Rules of Procedure and Voting Procedures**

**Article 14** The meeting shall only be held when more than half of all members of the Remuneration Committee are present. Each committee member shall have one (1) vote. An effective resolution shall be approved by more than half of all members of the Remuneration Committee. Where equal numbers of votes are cast for and against a resolution, the chairman shall have the right to cast one more vote.

**Article 15** Any member who has an interest in the topics under discussion in the meeting shall abstain. If the number of members present at the meeting is less than the quorum after such interested member(s) abstain from the meeting, such proposal shall be submitted to the board of directors of the Company for consideration.

**Article 16** If the Remuneration Committee considers necessary, it can request other persons who are related to the topics of the meeting to attend the meeting, brief the committee or express their opinions, but the persons who are not members of the Remuneration Committee do not have rights to vote for the proposals.

**Article 17** The voting methods at a meeting of the Remuneration Committee are as follows: vote by poll in writing or vote by a show of hands (or voice vote). The meeting held by way of physical meeting shall adopt the method of voting by poll in writing or voting by a show of hands (or voice vote). The meeting held via video or telephone may adopt the method of voting by a show of hands (or voice vote), but members who attend the meeting shall record the vote in writing as soon as practicable, and submit their votes with signatures to the Remuneration Committee. A meeting held by way of deliberation in writing shall adopt the method of voting by poll in writing, and members who vote shall also submit votes with signatures to the Remuneration Committee as soon as possible.

**Article 18** In principle, the Remuneration Committee shall not consider any ad hoc proposals or matters which are not set out in the notice of meeting. If an ad hoc proposal or matter is added under special circumstances, it may only be considered and resolved with the consent of two-thirds or more of all the members.

## **Chapter VI Resolutions and Minutes of Meeting**

**Article 19** After the prescribed number of effective votes are obtained for a proposal, a motion shall be passed as a Remuneration Committee resolution upon announcement by the chairman of the meeting. Resolutions of the Remuneration Committee shall come into force after being signed by the members present at the meeting.

**Article 20** Written minutes shall be made for the meetings of the Remuneration Committee, and shall be signed by the members present at the meeting and by the recorder. Members present at the meeting are entitled to require explanatory records of their comments made during the meeting in the minutes.

**Article 21** Written documents and meeting minutes of the Remuneration Committee shall be kept by the Company as corporate files for at least twenty (20) years during the existence of the Company.

**Article 22** After a resolution of the Remuneration Committee is formed, if it is required to be submitted to the board of directors for consideration, the chairman of the committee shall be responsible for submitting such resolution to the board of directors in a timely manner.

## **Chapter VII Miscellaneous**

**Article 23** Unless otherwise specified, terms used in these Rules shall have the same meanings as those defined in the Articles of Association.

**Article 24** These Rules are approved by the board of directors and shall become effective as of the date of the initial public offering and listing of the RMB ordinary shares (A shares) of the Company on the Shanghai Stock Exchange. Any amendments to the Rules shall be proposed by the Remuneration Committee and submitted to the board of directors for consideration, and shall become effective upon the approval of the board of directors.

**Article 25** Where any matters are not covered by these Rules or are in conflict with any laws, regulations, regulatory documents, provisions of securities regulators and stock exchanges in the places where the Company's shares are listed or the Articles of Association promulgated or amended after the Rules become effective, such laws, regulations, regulatory documents, provisions of securities regulators and stock exchanges in the places where the Company's shares are listed or the Articles of Association shall prevail.

**Article 26** The authority of interpretation of these Rules shall be vested with the board of directors.

(In the event of any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.)