

CHINA INNOVATION INVESTMENT LIMITED

(the “Company”)

**TERMS OF REFERENCE OF
REMUNERATION COMMITTEE**

(March 2012)

1) Formation

The Remuneration Committee was formed in 2006 pursuant to passing of a Board of Directors’ (the Board’s) resolution.

2) Purpose

The purpose of the Remuneration Committee is to set the remuneration policy of the executive directors and senior management.

3) Composition

The Remuneration Committee shall comprise of at least three committee members in which majority are Independent Non-Executive Directors (“INED”) of the Board. The Board shall nominate and appoint committee members and select the committee chair as and when required.

4) Frequency of meeting

The Remuneration Committee shall meet at least once a year, with an authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via Tele- or videoconference.

5) Meeting procedures

Quorum of meeting shall not be less than two Committee members, and each Committee member in the meeting shall carry one vote.

The Committee members shall elect among themselves a Chairman at each meeting. The Committee members shall also appoint the secretary to the Committee (who should normally be the Company Secretary) from time to time.

The Committee shall invite any director, executive or other members of management to attend meetings as necessary.

Full minutes of the Committee meetings should be kept by the Secretary to the Committee. Draft and final versions of minutes of the Committee meetings should be sent to all

committee members of the committee for their comment and records respectively, in both cases within a reasonable time after the meeting.

6) Committee's Resolutions

A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held and may consist of several documents in like form each signed by one or more of the members of the Committee.

7) Responsibilities

- (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, which 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 Company;
- (f) to 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;
- (g) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they consistent with contractual terms and are otherwise reasonable and appropriate; and
- (h) to ensure that no director or any of his associates is involved in deciding his own remuneration.