

International Mining Machinery Holdings Ltd.

Terms of reference of the Remuneration Committee of the Board of the  
Company

Adopted on 2012-03-30

## DEFINITIONS

In this terms of reference, unless the context otherwise requires, the following terms have the meaning set out below:

- “Board” means the Board of Directors of the Company;
- “Committee” means the Remuneration Committee of the Board of the Company;
- “Company” means International Mining Machinery Holdings Ltd.;
- “Directors” means the directors of the Company, and “Director” means any one of them;
- “Independent Non-executive Directors” means Directors meeting the requirements of independence set out in the Listing Rules, and “Independent Non-executive Director” means any one of them;
- “Listing Rules” means the Rules Governing the listing of securities on the Stock Exchange of Hong Kong Limited;
- “senior management” means the category of persons considered as senior management under the Listing Rules.

## **Purpose of the Committee**

The purpose of the Remuneration Committee is: to assist the Board in discharging its responsibilities relating to remuneration and compensation of the Company's directors and officers.

## **Composition**

1. The Committee shall be comprising a majority of Independent Non-executive Directors.
2. The chairman of the Committee shall be appointed by the Board and shall be an Independent Non-executive Director.
3. The secretary of the Committee shall be any one of the Company's joint company secretaries or such other person designated by the Committee from time to time.

## **Proceedings**

4. The Committee should consult the chairman and/or chief executive about their remuneration proposals relating to the remuneration for other executive directors.
5. The quorum for meetings of the Committee shall be not less than any two of its members, present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other.
6. The chairman of the Committee may convene meetings as he deems necessary, but in any event meetings of the Committee are to be held no less frequently than once every fiscal year.

## **Authorities and Duties**

7. The Committee is authorized by the Board, where necessary, to obtain independent professional advice at the cost of the Company; and
8. The duties of the Committee are:
  - 8.1 to make recommendations to the board on the issuer'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;
  - 8.2 to review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives;
  - 8.3 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;
  - 8.4 to make recommendations to the board on the remuneration of non-executive directors;
  - 8.5 to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the group;
  - 8.6 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;

8.7 to 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; and;

8.8 to ensure that no director or any of his associates is involved in deciding his own remuneration.

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Nothing contained in these Terms of Reference is intended to create, or should be construed as creating, any responsibility or liability of the members of the Committee, except to the extent otherwise provided under applicable laws.