



CHINA RESOURCES AND TRANSPORTATION GROUP LIMITED
中國資源交通集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 269)

(the “Company”)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE
(THE “COMMITTEE”)

1. Objective

The Committee is to assist the board of directors of the Company (the “**Board**”) to establish and administer a formal and transparent procedure for setting policy on the remuneration of directors of the Company (“**Directors**”) and senior management of the Company (the “**Senior Management**”) and for determining their remuneration packages.

2. Members

- a. All members of the Committee (the “**Members**”) shall be appointed by the Board and can be removed by the Board at its sole discretion. The Committee shall comprise a minimum of three Directors.
- b. The chairman of the Committee and the majority of the Members shall be independent non-executive Directors.
- c. The Board shall from time to time vary the composition of the Committee as may be required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as modified from time to time or other codes, rules and regulations as may be prescribed by the applicable regulatory authority from time to time.
- d. The company secretary of the Company or his/her delegate shall be the secretary of the Committee (the “**Secretary**”).

3. Authority

- a. The Committee shall report directly to the Board and shall consult the chairman of the Board and/or the chief executive officer about the remuneration proposals for other executive Directors and Senior Management.
- b. The Committee shall have access to independent professional advice if necessary.
- c. The Committee shall be provided with sufficient resources to perform its duties.

- d. The Committee may, from time to time, invite the executive Directors and advisors to the meeting of the Committee, including but not limited to external advisors or consultants to advise the Members.

4. Duties

The duties of the Committee shall include the following aspects:

- 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 corporate goals and objectives resolved by the Board from time to time.
- c. to have the delegated responsibilities to review and determine the remuneration packages of individual executive Directors and Senior Management or to make recommendations to the Board on the remuneration packages of individual executive Directors and Senior Management. The remuneration packages should include but not limited to benefits in kind, pension rights and compensation payable for loss or termination of their office or appointment. The Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors and employment conditions elsewhere in the group.
- d. to make recommendations to the Board on the remuneration of non-executive Directors.
- e. to review and approve compensation payable to executive Directors and Senior Management for any loss or termination of office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive.
- f. to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate.
- g. to ensure that no Director or any of his/her associates is involved in determining his/her own remuneration.
- h. to review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**");
- i. to ensure that the Company shall disclose details of any remuneration payable to the Senior Management in the annual reports.

- j. to review from time to time as appropriate these Terms of Reference and the effectiveness of the Committee and recommend to the Board of any necessary changes.

5. Committee Meetings

- a. The Committee shall meet at least once a year. Additional meetings shall be held as the Committee demands.
- b. Notice of any meetings of the Committee has to be given at least 14 days prior to any such meeting being held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a Member shall be deemed waiver of the requisite length of notice by the Member. Notice of any adjourned meetings is not required if adjournment is for less than 14 days.
- c. The quorum of the Committee should be any two Members, of whom at least one has to be an independent non-executive Director.
- d. Resolutions of the Committee shall be passed by a majority of votes which can also be passed by way of unanimous written resolutions. Meetings can be held in person, by telephone or by video conference.
- e. The Secretary shall keep full minutes of all Committee meetings. Draft and final versions of minutes of meetings of the Committee shall be circulated to all Members for their comment and records respectively, in both cases within a reasonable period after each meeting.

6. Annual General Meeting

The chairman of the Committee or in his/her absence, another Member of the Committee, shall attend the Company's annual general meeting and be prepared to respond to shareholders' questions on the Committee's activities and their responsibilities.