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華潤燃氣控股有限公司  
China Resources Gas Group Limi

# **CHINA RESOURCES GAS GROUP LIMITED**

## **Terms of Reference for the Remuneration Committee**

### **1. Purpose**

The primary objective of the Remuneration Committee (the “Committee”) is to assist the Board by making recommendations on the Group’s policy and structure for all remuneration of Directors and senior management and to have the delegated responsibilities to determine the specific remuneration packages of all Executive directors and senior management, with a view to attracting, motivating and retaining personnel of a high calibre and providing reward for enhancing shareholder value particularly reflecting their individual contributions.

### **2. Composition**

- (a) All Committee members, including its Chairman, shall be appointed by the Board. The Chairman shall be an Independent Non-executive Director.
- (b) The Committee shall consist of not less than 3 members and the majority of whom should be Independent Non-executive Directors.

### **3. Meetings**

- (a) A quorum shall be three members.
- (b) The Committee shall meet as frequently as the Chairman of the Committee shall decide in order to discharge its duties, but not less than once a year. The Secretary of the Committee shall also convene a Committee meeting on requisition by any member of the Committee.

### **4. Authority**

- (a) The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- (b) The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
- (c) The Chairman of the Committee shall give not less than 3 days’ prior notice to the Chairman of the Board if the Committee proposes to engage outside legal or other independent professional advice, detailing the reasons for such engagement. The Directors may discuss the proposed engagement with members of the Committee, and the Committee shall consider representations made to it, following what it may resolve to proceed with the engagement, not to proceed with the engagement or to engage advisers on other terms.
- (d) The amount to be expended on fees of professional advisers under paragraphs (b) and (c) above shall be authorised by the Board (which authorization shall not be unreasonably withheld or delayed).

## 5. Duties

The duties of the Committee shall be:

- (a) To make recommendations to the Board on the Group'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 determine, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management. This should include benefits in kind, pension rights and compensation payable for loss or termination of their office or appointment. Factors which should be taken into consideration include but not limited to salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group.
- (c) To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.
- (d) 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.
- (e) 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.
- (f) To make recommendations to the Board on the remuneration for Non-Executive Directors.
- (g) To ensure that no Director or any of his associates is involved in deciding his own remuneration.
- (h) To consult the Chairman of the Board and/or the Chief Executive about their remuneration proposals for other Executive Directors and have access to independent professional advice if necessary.
- (i) To review and/or approve the matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.
- (j) To consider other relevant matters as referred to it by the Board.

## **6. Reporting responsibilities**

- (a) The Committee shall report to the Board at its regular or other Board meetings on the nature and extent of the functions performed by it and may make such recommendations to the Board on any remuneration matters as it may think fit within the terms of reference.
- (b) The Committee should ensure that the Board is provided with sufficient information to ensure informed decision taking.
- (c) Minutes of meetings of the Committee shall be kept by the secretary appointed by the Committee. The minutes are available for inspection at any reasonable time on reasonable notice issued by any Director.
- (d) Minutes of meetings of the Committee should record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of minutes of the meetings should be sent to all Committee members for their comment and records, within a reasonable time after the meeting.