

# Remuneration Committee

## Terms of Reference

China Resources Power Holdings Company Limited

Last Reviewed: 27 November 2014  
Adopted By the Board: 19 March 2012

Room 2001-05, 20/F,  
China Resources Building,  
26 Harbour Road, Wanchai,  
Hong Kong

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Pursuant to a resolution of the Board, the Remuneration Committee was formed on 6 October 2003 to facilitate appropriateness, transparency and accountability to shareholders on issues of the remuneration of the directors and senior management of the Company.

## **1. ROLE**

The main role of the Remuneration Committee is to assist and advise the Board on matters relating to the remuneration of the Board and senior management, in order to motivate and retain executives and ensure that the Company is able to attract the best talents in the market in order to maximise shareholder value. Pay levels for directors and senior management should be set with reference to the benchmarks of the market.

## **2. MEMBERSHIP OF THE COMMITTEE**

The Committee will have at least three members and be comprised solely of non-executive directors, with the majority of the members being independent non-executive directors. The Chairman of the Committee shall be an independent non-executive director. Members of management must not be appointed members of the Committee.

## **3. ADMINISTRATIVE MATTERS**

The Committee will meet at least once a year, or as often as Committee members deem necessary in order to fulfill their role.

The Committee may seek the advice of the Company's auditors, solicitors and other external consultants or specialists as to any matter pertaining to the duties of the Committee.

A notice of each meeting shall be forwarded to members of the Committee at least five working days prior to the date of the meeting. The notice will include relevant supporting papers for the agenda items to be reviewed and discussed.

All minutes of the Committee will be entered into a minute book maintained for that purpose and will be open at all times for inspection by any director, provided no

conflict of interest exists.

A quorum will comprise any two committee members. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their number as Chairman for that meeting.

#### **4. RESPONSIBILITIES AND FUNCTIONS**

The responsibilities of the Remuneration Committee are as follows:

- 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;
- to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- to make recommendations to the Board on the remuneration packages of all executive 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;
- to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their 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 for the Company;
- 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;
- to ensure that no director or any of his or her associates is involved in deciding his or her own remuneration;

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- to consult the Chairman and/or the Chief Executive Officer about their remuneration proposals for other executive directors. The Remuneration Committee should have access to independent professional advice if necessary;
- to consider salaries paid by comparable companies, time commitment, responsibilities and employment conditions in the Group (which comprises the Company and its subsidiaries) ; and
- to consider other topics as defined by the Board.

## **5. REPORTING**

The Committee shall provide a report of the actions of the Committee at the next Board meeting.

The Committee Chairman will also, if requested, provide a brief verbal report to the Board as to any material matters arising out of the Committee meeting.

## **6. REVIEW**

The Board will review the membership and terms of reference of the Committee annually.