

BRIGHTOIL PETROLEUM (HOLDINGS) LIMITED

光滙石油(控股)有限公司

(incorporated in the Bermuda with limited liability)



光滙石油
BRIGHTOIL

**TERMS OF REFERENCE
OF
THE REMUNERATION COMMITTEE**

A. Introduction

These terms of reference set out the terms on which a committee of the Board of Directors (the "**Board**") to be known as the Remuneration Committee (the "**Committee**") shall be constituted and shall operate.

B. Membership

Members of the Committee shall be appointed by the Board and the Committee shall comprise at least three members. A majority of members of the Committee should be independent non-executive directors.

The chairman and the other members of the Committee will be disclosed in the Company's Annual Report and Accounts. Terms of Reference and membership of the Committee shall be made available to any persons upon request.

In appointing the members to the Committee, the Board will give due consideration to the latest Code on Corporate Governance Practices published by The Stock Exchange of Hong Kong Limited from time to time.

The chairman of the Committee shall be an independent non-executive director and appointed by the Board.

The company secretary shall act as secretary to the Committee.

The Committee in carrying out its tasks under these terms of reference shall normally invite the chairman and/or chief executive of the Company to attend meetings to discuss the performance of other executive directors and make proposals as necessary. Others may be called upon or shall be able to speak by prior arrangement with the chairman of the Committee. No Committee attendee shall participate in any discussion or decision on his or her own remuneration.

C. Meeting

The Committee will meet as and when required to discharge its responsibilities, but at least once annually. All meetings will be called by the company secretary as directed by the Board or at the request of the chairman of the Committee.

In the absence of the chairman of the Committee, another attending independent non-executive director will be elected chairman for that meeting by the members present at the meeting.

A quorum of the Committee shall comprise three members present throughout the meeting.

D. Proceedings

The meetings and proceedings of the Committee will be governed by the Company's By-laws regulating the meetings and proceedings of directors.

Where at all possible, not less than seven days' prior notice of a meeting will be given of the Committee. Such notice will include the agenda and any supporting papers.

Minutes of meetings of the Committee shall be kept by the company secretary. Draft and final versions of each meeting's minutes will be sent to all Committee members for their comment and records, respectively within a reasonable time after the meeting. Once each meeting's minutes have been approved by the chairman of the Committee, they will be distributed to all members of the Committee.

E. Authority

The Committee is appointed by the Board to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management.

The Committee is authorised by the Board to:

1. develop and recommend to the Board, and to subsequently maintain with regard to ongoing best practice, a set of corporate governance principles and procedures applicable to the Committee's responsibilities and duties;

2. obtain any information it requires from any employee of the Company; and
3. consult the chairman and/or chief executive about their proposals relating to the remuneration of other executive directors and is authorized to obtain or retain independent legal or other professional advice at the Company's expenses as appropriate.

F. Responsibilities and Duties

The responsibilities and duties of the Committee are as follows:

1. 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;
2. to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
3. either:
 - (i) to determine, with delegated responsibility, the remuneration packages of individual executive director and senior management; or
 - (ii) to make recommendations to the Board on the remuneration packages of individual executive director 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;

4. to make recommendations to the Board on the remuneration of non-executive directors;
5. to consider salaries paid by comparable companies time commitment and responsibilities and employment conditions elsewhere in the group;
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;

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

The Committee shall review and reassess the terms of reference and the effectiveness of the Committee at least annually and shall obtain the approval of the Board for any amendments thereto these terms.