



# **SIBERIAN MINING GROUP COMPANY LIMITED**

## **西伯利亞礦業集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1142)**

### **Terms of Reference of Remuneration Committee**

#### **1. Membership**

- 1.1 The members of Remuneration Committee (the “Remuneration Committee”) of Siberian Mining Group Company Limited (the “Company”) shall be appointed by the board of directors (the “Board”) of the Company from time to time and shall consist of not less than three directors. The majority of Remuneration Committee members (the “Members”) shall be independent non-executive directors who shall meet and maintain the independence requirements from time to time as stipulated in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").
- 1.2 If a Member resigns or for any reasons ceases to be a Member with the result that the number of Members falls below three, the Board shall within a reasonable time, but in any case not more than three months, appoint such new Member(s) as may be required to make up to the minimum of three Members.
- 1.3 All Members, including the chairman of the Committee, will hold office only so long as they serve as directors of the Company. The Board shall review their terms of office and the performance of the Committee and each of its members at least once every three years.

#### **2. The Chairman**

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

#### **3. Meetings**

- 3.1 The quorum of the Remuneration Committee meeting shall be two Members. The Remuneration Committee shall meet at least once annually or more frequently if circumstances require.

*\* For identification purpose only*

- 3.2 The Chairman (or in his or her absence, a Member being an independent non-executive director designated by the Chairman) shall preside at all meetings of the Remuneration Committee. The Chairman shall be responsible for leading the Remuneration Committee, including scheduling and conducting meetings in accordance with all applicable laws and regulations, preparing agendas and making regular reports to the Board.
- 3.3 Unless otherwise agreed, notice of meeting of the Committee confirming the venue, date and time should be given to all Members and invitees (if any) at least 14 days before the meeting is held and within reasonable time for additional / adjourned meetings.
- 3.4 An agenda and accompanying meeting papers shall be sent to all Members in a timely manner and at least three days before the intended date of the meeting (or other agreed period).

#### **4. Access**

- 4.1 The Remuneration Committee shall have full access to management and may invite members of management or others to attend its meetings. The Remuneration Committee should consult the chairman and/or chief executive of the Company about their remuneration proposals for other executive directors.

#### **5. Reporting Procedures**

- 5.1 The Remuneration Committee shall evaluate and assess the effectiveness of the Remuneration Committee and the adequacy of this Remuneration Committee Terms of Reference on an annual basis and recommend any proposed changes to the Board.
- 5.2 Minutes of meetings of the Remuneration Committee and the record of individual attendance at such meetings shall be prepared by the secretary of the Company which shall be sent to all members of the Board as soon as practicable after the conclusion of any meeting of the Remuneration Committee.

#### **6. Authority**

- 6.1 The Remuneration Committee is established and the regulating meetings and proceedings of the directors of the Company shall apply mutatis mutandis to meetings and proceedings of the Remuneration Committee hereby established.
- 6.2 The Remuneration Committee is authorised by the Board to determine the remuneration payable to all directors, including executive directors, and members of senior management, the emolument policies and the basis for determining such emoluments. It shall ensure that no director should be involved in deciding his own remuneration.
- 6.3 The Remuneration Committee is authorised by the Board to obtain independent professional advice and assistance from internal or external legal, accounting or other advisors at the expense of the Company if necessary.

6.4 The Remuneration Committee should be provided with sufficient resources to perform its duties.

## **7. Responsibilities and Duties**

The Remuneration Committee shall perform the following duties:-

- 7.1 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;
- 7.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 7.3 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;
- 7.4 to make recommendations to the Board on the remuneration of non-executive directors;
- 7.5 to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Company and its subsidiaries;
- 7.6 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;
- 7.7 to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they consistent with contractual terms and are otherwise reasonable and appropriate;
- 7.8 to ensure that no director or any of his associates is involved in deciding his own remuneration; and
- 7.9 the Chairman, or in the absence of the Chairman, another Member of the Committee or failing this his duly appointed delegate, shall attend the annual general meeting prepared to respond to any shareholder questions on the Committee's activities.

## **8. Publication of the Terms of Reference**

- 8.1 The terms of reference of the Committee shall be posted on The Stock Exchange of Hong Kong Limited's website and the Company's website.

*Revised and adopted on 29 March 2012*