

SHENZHEN INVESTMENT LIMITED

深圳控股有限公司

**TERMS OF REFERENCE OF
REMUNERATION COMMITTEE**

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Terms of Reference of Remuneration Committee

Formation

1. The remuneration committee (“Committee”) was formed pursuant to the board resolution of Shenzhen Investment Limited (“the Company”) passed on 1st January, 2005.

Composition and Quorum

2. The Committee shall be appointed by the board of directors of the Company amongst the non-executive directors and executive directors of the Company. A majority of the Committee members should be independent non-executive directors.

Members : The Committee shall consist of not less than 3 members.

Quorum : 2

3. The Chairman of the Committee shall be appointed by the board and should be an independent non-executive director.
4. The meetings and proceedings are governed by the provisions contained in the articles of association of the Company for regulating meetings and proceedings of directors.

Authority

5. 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.
6. 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.

Duties

7. The duties of the Committee shall be:—
 - (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 board's corporate goals and objectives.
- (c) Either: (i) to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management; or (ii) 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.
- (d) To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group.
- (e) To review and approve the compensation payable to executive directors and senior management for any loss or termination of their office or appointment to ensure that it is consistent with contractual terms and 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 they are consistent with contractual terms and are otherwise reasonable and appropriate.
- (g) To make recommendations to the board on the remuneration of non-executive directors.
- (h) To ensure that no director or any of his associates is involved in deciding his own remuneration.
- (i) To consult the chairman and/or the chief executive about their remuneration proposals for executive directors. The Committee should have access to independent professional advice if necessary.
- (j) To consider other topics as defined by the board.

Note: In this terms of reference, "senior management" should refer to the same persons referred to in the Company's annual report.

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