

**China Minsheng Financial Holding Corporation Limited**  
**中國民生金融控股有限公司**  
*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 245)**

TERMS OF REFERENCE  
OF  
REMUNERATION COMMITTEE

**A. Role and function**

The Remuneration Committee is established as a committee of the board of directors (the “**Board**”). It is responsible for considering and reviewing the directors’ remuneration policy.

For this purpose, remuneration shall include:

- annual base salary;
- annual incentive opportunity;
- stock option or other equity participation plans;
- profit-sharing plans;
- long-term incentive opportunity;
- the terms of employment agreements, severance arrangements, and change in control agreements, in each case as, when and if appropriate;
- any special or supplemental benefits; and
- any other payments that are deemed compensation under applicable rules.

The Remuneration Committee is also responsible for the considering and reviewing the emoluments of non-executive directors and senior management prior to approval of award by the Board before the commencement of each financial year. The committee shall have no powers other than those set out in this terms of reference below.

**B. Composition of Remuneration Committee**

The Remuneration Committee shall have not less than three members, and a majority of whom shall be independent non-executive director. The chairman of the committee shall be an independent director and appointed by the Board. Members shall be appointed for an initial three years term of office after which they shall continue for another term, if not revoked.

The members of the Remuneration Committee shall be appointed by the Board. Members of the Remuneration Committee may be removed at any time by action of the Board.

### **C. Meeting**

The Remuneration Committee shall meet at least once per year or more as if required. The meeting shall be held prior to a recommended award presented to the Board for approval. One member or the Company Secretary shall be appointed as secretary.

Draft and final version of minutes of the meetings of the committee shall be circulated to the Committee for comment (if any) and records within a reasonable time after each meeting. The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report the findings and recommendations of the Committee to the Board.

Meeting can be attended in person or via electronic means including telephonic or videoconferencing. The members of the remuneration committee can attend the meeting via telephonic or any similar communication device (all persons attending such meeting should be able to hear from such member via such communication device).

The resolution passed and signed by all members of the remuneration committee is valid, and the validity is same as any resolution passed in the meeting held.

### **D. Duties and Authority**

To fulfill its responsibilities, the Remuneration Committee shall:

1. 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. review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
3. to determine, with delegated responsibility from the Board, 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;
4. make recommendations to the Board on the remuneration of non-executive directors;
5. consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
6. 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. 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;
8. ensure that no director or any of his associates is involved in deciding his own remuneration;
9. review and reassess the adequacy of the terms of reference annually and recommend to the Board any changes deemed appropriate by the Remuneration Committee;
10. perform any other activities consistent with the terms of reference, the Company's Articles and applicable law, as the Remuneration Committee or the Board deems necessary or appropriate; and
11. nothing in the terms of reference shall preclude the Board from discussing directors or senior management compensation generally or any other subject.

#### **E. Resources**

The Remuneration Committee shall have the sole authority to retain or terminate consultants to assist the Remuneration Committee in the evaluation of director, or senior executive compensation. The remuneration committee should be provided with sufficient resources to perform its duties. The Committee should have access to outside legal or other independent professional advice in connection with its duties at the Company's expense if necessary.

*Should there be any inconsistency between the English and Chinese versions of the above terms of reference, the English version shall prevail.*