



**Xinjiang Xinxin Mining Industry Co., Ltd.\* (“Company”)**

**新疆新鑫礦業股份有限公司**

*(a joint stock limited company incorporated in the People’s Republic of China with limited liability)*

**(Stock code : 3833)**

**Terms of reference of  
the Remuneration and Review Committee (“Committee”) of the  
Board of Directors (“Board”) of the Company**

**1. Constitution**

- 1.1 The Committee is established pursuant to a resolution passed by the Board at its meeting held on 25 November 2006.

**2. Membership**

- 2.1 Members of the Committee shall be nominated by the Chairman of the Board, majority of the independent non-executive directors or one third of the Board members, and appointed by the Board from amongst the members of the Board and shall consist of not less than three members and a majority of which should be independent non-executive directors of the Company.
- 2.2 The Chairman of the Committee shall be appointed by the Board and the Chairman must be an independent non-executive director.
- 2.3 The company secretary of the Company shall be the secretary of the Committee.
- 2.4 The appointment of the members of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee.
- 2.5 The term of the Committee shall align with the term of the session of the Board, unless otherwise decided by the Board, upon retirement, the re-elected director Committee members shall also be re-elected as Committee members.

**3. Proceedings of the Committee**

**3.1 Notice:**

- (a) Unless otherwise agreed by all the Committee members, a meeting shall be called by at least seven days' notice.
- (b) The Chairman of the Committee or any three Committee members may and, on the request of any three Committee members, the secretary to the Committee shall, at any time summon a Committee meeting. Notice shall be given to each Committee member in person orally or in writing or by telephone or by email or by facsimile transmission at the telephone or facsimile or address or email address from time to time notified to the secretary by such Committee member or in such other manner as the Committee members may from time to time determine.
- (c) Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.
- (d) Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting.

**3.2 Quorum:** The quorum of the Committee meeting shall be two third of the Committee members or more, resolutions of the Committee meetings will be passed with the majority of the members of the Committee.

**3.3 Frequency:** Meetings shall be held at least once every year or more frequently if circumstances require.

#### **4. Written resolutions**

4.1 Written resolutions may be passed by all Committee members in writing.

#### **5. Overriding principles**

- 5.1 Remuneration levels should be sufficient to attract and retain directors to run the company successfully without paying more than necessary.
- 5.2 No director should be involved in deciding his own remuneration.
- 5.3 The Committee should consult the chairman and/or chief executive about their remuneration proposals for other executive directors. The Committee should have access to independent professional advice if necessary.

#### **6. Proxy**

6.1 A Committee member who is unable to attend the meeting can appoint another Committee member as his proxy to attend the meeting on his behalf or express his views or resolutions to the Committee in writing. Attendance at the meeting by a proxy should not be counted as attendance by the Committee member himself.

#### **7. Authority of the Committee**

7.1 The Committee may exercise, including but not limited to, the following powers:

- (a) when performing its duties according to this Terms of Reference, to enquire the senior management who have been authorized by the Board to co-operate with the Committee in respect of any necessary information on remuneration;
- (b) to review any proposed service contract with any director or senior management before such contract is entered into and to make recommendation to the Company's human resources department for any changes to the proposed terms of such contract ;
- (c) to consult the chairman and / or chief executive about their remuneration proposals for other executive directors, and have access to independent professional advice if necessary;
- (d) to obtain external legal or other independent professional advice and to secure the attendance of the external parties with relevant experience and expertise, if necessary; and
- (e) to exercise such powers as the Committee may consider necessary and expedient so that their duties under section 8 below can be properly discharged.

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

## **8. Duties**

8.1 In terms of remuneration, the duties of the Committee shall include but not limited to the following:

- (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; the directors' remuneration proposal shall be approved by the Board and submitted to the general meeting of the Company for final approval before execution; the senior management's remuneration proposal shall be approved by the Board before execution;
- (c) to determine, with delegated responsibility, the remuneration packages of individual 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;
- (d) to make recommendations to the Board on the remuneration of non-executive directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the the Company and its subsidiaries;
- (f) 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;

- (g) 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;
- (h) to ensure that no director or any of his associates is involved in deciding his own remuneration; and
- (i) to monitor the execution of the Company's remuneration system..

8.2 In terms of review, the duties of the Committee shall include but not limited to the following:

- (a) to research the review standards for the directors and senior management remuneration, and to make recommendation according to the assessment of the Company's operational situation;
- (b) to research and review the policies and plans for the directors and senior management remuneration and to make performance appraisals; and
- (c) the performance appraisal procedures of the directors and senior management by the Committee shall include but not limited to the following:
  - the directors and senior management shall prepare their job evaluation and self-assessment report to the Committee;
  - the Committee shall, based on the Company's policy and procedures for performance appraisal and the job evaluation reports for each director and senior management, proceed to assess their job performance, and according to the assessment results of the job performance and the Company's profit distribution policy, propose the remuneration and bonus plan for each director and senior management;
  - the remuneration and bonus proposal shall be approved by the Committee by majority of the Committee members before submitting to the Board for approval; and
  - the directors' remuneration and bonus plan shall be subject to the approval by the Board as well as the final approval by the shareholders of the Company in the Company's general meeting.

## **9. Minutes and records**

- 9.1 Full minutes of the meetings of the Committee and all written resolutions of the Committee should be kept by the secretary of the Committee.
- 9.2 The secretary of the Committee shall circulate the draft and final versions of minutes of the meeting of the Committee or, as the case may be, written resolutions of the Committee to all members of the Committee for their comment and records respectively within a reasonable time after the meeting or the passing of the written resolutions.
- 9.3 The secretary of the Committee shall keep record of all meetings of the Committee held during each financial year of the Company and records of individual attendance of

members of the Committee, on a named basis, at meetings held during that financial year.

#### **10. Powers of the Board**

- 10.1 The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules or if adopted by the Company, the Company's own code of corporate governance practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.

#### **12. Reporting procedure**

- 12.1 The secretary of the Committee shall circulate the minutes of Committee meetings, reports of the Committee and relevant information to all directors of the Company.

Adopted on 19 January 2007 and revised on 16 March 2012.