

CITIC RESOURCES HOLDINGS LIMITED
(the “Company”)

REMUNERATION COMMITTEE

Terms of Reference

1. Establishment

The board of directors of the Company (the “**Board**”) has established a committee of the Board known as the Remuneration Committee (the “**Committee**”).

2. Approval of Terms of Reference

These Terms of Reference were approved by a resolution of the Board on 24 June 2005.

3. Membership

The Committee shall comprise at least three directors, the majority of whom shall be independent non-executive directors.

The Chairman of the Committee (the “**Committee Chairman**”) shall be appointed by the Board from amongst the independent non-executive directors. The Committee Chairman may appoint a deputy to act in his absence.

The Board may from time to time appoint additional members to the Committee subject to the bye-laws of the Company (the “**Bye-laws**”) and subject to the requirement that the majority of members of the Committee are independent non-executive directors.

The Committee may invite any director, executive or other person to attend meeting(s) of the Committee as it may from time to time consider desirable to assist the Committee in the attainment of its objective.

The Committee shall be supported by the Chief Financial Officer and Human Resources Manager and such other persons from the Company’s personnel as the Committee Chairman shall request.

4. Application of the Bye-laws

The Bye-laws governing proceedings at meetings of the Board shall apply to proceedings at meetings of the Committee.

5. Professional Advice

The Committee is authorised by the Board to obtain such legal, remuneration or other professional advice as it shall deem appropriate and shall be responsible for establishing the selection criteria, selecting, appointing and settling the terms of engagement of remuneration consultants to assist and advise it in the discharge of its duties.

6. Meetings and Quorum

The Committee shall meet at least once in each financial year of the Company. Any member of the Committee may call additional meetings of the Committee as necessary. Any member of the Board may call additional meetings of the Committee in the event any matter which requires the consideration of the Committee occurs.

The quorum for a meeting of the Committee shall be two or more members and a majority of whom are independent non-executive directors.

The Committee Chairman shall chair meetings of the Committee. In the absence of the Committee Chairman and an appointed deputy at any meeting, the remaining members of the Committee present shall elect a member from amongst themselves to act as chairman of that meeting.

7. Conflicts of Interests

Each member of the Committee shall disclose to the Committee:

- (a) any personal financial interest (other than as a shareholder of the Company) in any matter to be decided by the Committee;
- (b) any potential conflict of interest arising from a cross-directorship; and
- (c) any other matter that he considers to be relevant in respect of any matter to be discussed at meetings of the Committee.

Any member of the Committee who is the subject of a conflict of interest shall abstain from voting on resolutions of the Committee in relation to which such conflict of interests exists and from participating in the discussions concerning such resolutions.

Where a conflict of interests is material and affects the ability of a member of the Committee to act as a member of the Committee as determined by the Committee Chairman or, where the issue of conflict involves the Chairman, a decision of the other members of the Committee, then such member shall resign from the Committee.

No member or other director shall be present during discussions or participate in any vote as to his or her remuneration.

8. Objective

The purpose of the Committee is to make recommendations to the Board on the remuneration policy and structure for executive directors and senior management of the Company and its subsidiaries (the “**Group**”) and the remuneration of all directors of each member of the Group.

9. Authority

The Committee shall have the authority of the Board to do such matters as shall be reasonably necessary to achieve its objective. The Committee shall consult with the Chairman and/or the Chief Executive Officer and/or the General Manager of the Company about its proposals relating to the remuneration of other executive directors. Subject to the foregoing, the Committee is authorised by the Board to undertake any activity within its terms of reference.

10. Responsibilities

Without limiting the generality of the Committee's objective, the Committee shall have the following responsibilities:

- (a) to make recommendations to the Board on the Group's policy and structure for all remuneration of executive directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- (b) to determine specific remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any commission, bonus or other payment payable in respect of their appointment;
- (c) to make recommendations to the Board in relation to the remuneration of non-executive directors;
- (d) to consider all relevant factors including but not limited to salaries paid by comparable companies, time commitment and responsibilities of the executive director or member of senior management concerned, employment conditions elsewhere in the Group and desirability of performance-based remuneration when discharging its responsibilities under paragraphs (a), (b) and (c) above;
- (e) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- (f) to review individual performance;
- (g) to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive to the Company;
- (h) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
- (i) to ensure that no director or his associate is involved in deciding his own remuneration; and

- (j) to advise and make recommendations to shareholders of the Company on how to vote with respect to any service contract of directors that require shareholders' approval as required by any relevant law, rule or regulation having jurisdiction over the Company including but not limited to Rule 13.68 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

11. Reporting Procedures

The Committee Chairman shall arrange for the circulation of minutes of meetings of the Committee to all members of the Board unless a conflict of interest arises.

12. Fees of Non-Executive Directors

The Chairman and the Chief Executive Officer of the Company are responsible for evaluating and making recommendations to the Board on the remuneration of Non-Executive Directors.

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