

CATIC International Holdings Limited
(the “Company”)

Terms of Reference for the Remuneration Committee

1. **Constitution**

The Remuneration Committee shall be established as a Committee of the Board of Directors of the Company pursuant to the Code on Corporate Governance Practices as set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. **Membership**

The Committee shall be appointed by the Board from amongst the Directors of the Company and the majority should be Independent Non-Executive Directors. A quorum shall be two members.

3. **Meetings**

Meetings should be held at least once a year. Other Board members shall have the right of attendance.

4. **Authority**

The Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee. The Committee is authorized by the Board, subject to prior discussions concerning likely costs, 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.

5. **Duties**

The duties of the Committee should include:-

- (a) to make recommendations to the Board on the Company’s policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- (b) to have the delegated responsibility to determine the specific remuneration packages of all 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, and make recommendations to the Board of the remuneration of non-executive directors. The Remuneration Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities

of the directors, employment conditions elsewhere in the group and desirability of performance-based remuneration;

- (c) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- (d) to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their 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 for the Company;
- (e) 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; and
- (f) to ensure that no director or any of his associates is involved in deciding his own remuneration.

6. **Reporting Procedures**

The company secretary shall be the secretary of the Committee and shall circulate the minutes of meetings of the Committee to all members of the Board.