



JINCHUANGROUP INTERNATIONAL RESOURCES CO. LTD

金川集團國際資源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2362)

Terms of Reference–Remuneration and
Nomination Committee

(As at 19 December 2018)

Should there be any discrepancy between the English and Chinese versions of this Terms of Reference, the English version shall prevail.

The Remuneration and Nomination Committee - Terms of Reference

1 Objectives

The purpose of the Remuneration and Nomination Committee (the "Committee") of the Board of Directors (the "Board") is to:

- (a) lead the process for Board appointments and to identify and nominate candidates for appointment;
- (b) perform the Board's responsibilities relating to the compensation of the Company's Directors and the Senior Management;
- (c) oversee the administration of the Company's compensation plans; and
- (d) prepare any report on executive compensation required by the applicable rules and regulations.

2 Constitution

The Board hereby resolves to establish a Committee of the Board to be known as the Remuneration and Nomination Committee.

3 Membership

- 3.1 The Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three (3) members.
- 3.2 Majority of the Committee members should be independent non-executive Directors.

4 Chairman

The Chairman shall be selected amongst the independent non-executive Directors and shall be appointed by the Board.

5 Secretary

- 5.1 The Company Secretary or his nominee shall be the secretary of the Committee.
- 5.2 The Company Secretary is appointed to facilitate communication between the Board and the Committee and to provide access to information required by the Committee members in pursuit of their duties.

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6 Quorum

Two (2) members of the Committee shall constitute a quorum.

7 Frequency of Meetings

Meetings shall be held not less than once a year.

8 Proceedings of Meetings

8.1 A notice of meeting should be given at least seven (7) days in advance of a regular Committee meeting.

8.2 The agenda and the ancillary documents for the meeting should be sent to all Committee members at least three (3) days before the intended date of the Committee meeting.

8.3 Any member may request for Committee meetings by giving notice of not less than seven (7) days in writing to the Chairman of the Committee.

8.4 Questions arising at the Committee meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairman shall have a second or casting vote.

9 Minutes

9.1 The secretary of the Committee must ensure that full minutes are kept of all Committee meetings.

9.2 Draft and final versions of the minutes of the Committee meetings shall be sent to all Committee members for their comments and records respectively within reasonable time after the meeting.

9.3 Minutes of the Committee should be formally approved by the Committee before reporting to the Board.

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- 9.4 Minutes shall be available for inspection at any reasonable time upon reasonable notice by any Director.
- 9.5 Minutes shall record in sufficient detail the matters considered by the Committee and the decisions reached, including any concerns raised by the Directors or dissenting views expressed.
- 9.6 The Committee shall circulate its meeting minutes to the Board (within reasonable time after the meeting), to keep the Board informed of the Committee's activities and recommendations on a regular basis.

10 Authority

- 10.1 The Committee is authorized by the Board to investigate into any activity within its terms of reference.
- 10.2 The Committee is authorized by the Board to obtain legal or other independent professional advice from external parties and to invite external parties with relevant experience and expertise to attend the Committee meetings if necessary.
- 10.3 The Committee shall be provided with sufficient resources to discharge its duties.

11 Duties

The duties of the Committee are:

A. Remuneration functions

- (a) to make recommendations to the Board on the issuer's policy and structure for all directors', senior management and other staff 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) 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 make recommendations to the Board on the remuneration of non-executive directors;

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- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- (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 consult the chairman and/or chief executive about their remuneration proposals for other executive directors.

B. Nomination functions

- (a) to review and assess the structure, size and composition (including the knowledge, experience, balance of skill, diversity including as to gender and ethnicity) of the Board on a regular basis and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) to identify, select and nominate individuals suitably qualified to become Board members and make recommendations to the Board;
- (c) to assess the independence of independent non-executive Directors (including any conflict which a director may have with the interests of the Company and its subsidiaries) on its appointment or when their independence is called into question and to review the annual confirmation of independency provided by independent non-executive Directors required under the Listing Rules;
- (d) to review the Board Diversity Policy, as appropriate, and review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and
- (e) to make recommendations to the Board on the appointment or re-appointment of the Directors and succession plans for the Directors.

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C. Other functions

- (a) to consider other remuneration and nomination topics raised by the Board.

12 **Reporting**

12.1 The Committee shall report to the Board on a regular basis.

12.2 The Committee Chairman shall present periodic written reports of the Committee which address the work and findings of the Committee to the Board. The frequency of submission of these reports varies but, as a minimum, it has to be submitted on an annual basis.

12.3 Where the Board resolves to approve any remuneration or compensation arrangements which the Remuneration and Nomination Committee has previously resolved not to approve, it is recommended to disclose the reasons for the approval by the Board in the next annual report of the Company. The Committee's recommendations are subject to final approval by the Board of Directors.

12.4 The secretary of the Committee shall circulate the minutes of meetings and reports of the Committee to all members of the Board.

13 **Nomination Policy**

The provisions set out in the above paragraphs 11B(a), 11B(b) and 11B(d) are regarded as the key nomination criteria and principles of the Company for the nomination of Directors of the Board, and these provisions constitute the "Nomination Policy" of the Company.

** For the purpose of this terms of reference, "Senior Management" refers to the same category of persons as referred to in the Company's annual report.*