

CHINA BILLION RESOURCES LIMITED

**Terms of reference of
the Remuneration Committee of the Board of Directors**

CHINA BILLION RESOURCES LIMITED

(the “Company”)

Remuneration Committee – Terms of Reference

1. Membership

1.1 Members of the Remuneration Committee shall be appointed by the board of directors (“Board”).

1.2 A majority of the members of the Remuneration Committee shall be independent non-executive directors.

2. Chairman

2.1 The chairman of the Remuneration Committee shall be an independent non-executive director and appointed by the Board.

3. Meetings

3.1 The meetings and proceedings of the Remuneration Committee are governed by the provisions contained in the Company’s Articles of Association for regulating the meetings and proceedings of Directors.

3.2 The quorum for meetings of the Remuneration Committee shall be any two members.

3.3 The Remuneration Committee shall meet at least once a year and otherwise as required.

3.4 The Company Secretary shall act as the secretary to the Remuneration Committee and must ensure that full minutes are kept of all meetings. In the absence of the secretary of the Remuneration Committee, the members present at the meeting of the Remuneration Committee shall elect another person as the secretary.

4. Authority

4.1 The Remuneration Committee shall consult the Chairman of the Board about their remuneration proposals for other executive directors and senior management;

4.2 The Remuneration Committee is authorised by the Board to seek any remuneration related information it requires from senior management of the Company in order to perform its duties;

4.3 The Remuneration Committee is authorised by the Board to obtain, at the Company’s expenses, independent professional advice including their attendance at meetings or any other assistance as it considers necessary; and

4.4 The Remuneration Committee shall be provided with sufficient resources to perform its duties.

5. Duties

The duties of the Remuneration Committee shall include:

- 5.1 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;
- 5.2 review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 5.3 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 such as compensation payable for loss or termination of their office or appointment;
- 5.4 make recommendations to the Board on the remuneration of non-executive directors;
- 5.5 consider salaries paid by comparable companies time commitment and responsibilities and employment conditions elsewhere in the group;
- 5.6 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 it is consistent with contractual terms and is otherwise fair and not excessive;
- 5.7 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;
- 5.8 ensure that no director or any of his associates (as defined in the Listing Rules) is involved in deciding his own remuneration; and
- 5.9 consider other matters that are related to remuneration paid or payable by the group, as defined or assigned by the Board from time to time.

6. Annual General Meeting

- 6.1 The Chairman of the Remuneration Committee shall, as far as practicable, attend the Company's annual general meeting and be prepared to respond to any shareholders' questions on the Remuneration Committee's decisions or recommendations.

7. Amendment

7.1 Any amendment to these terms of reference must be approved by the Board.

8. Publication of these terms of reference

8.1 The Remuneration Committee shall cause a copy of these terms of reference to be published on the websites of the Company and The Stock Exchange of Hong Kong Limited.