



**Tibet 5100 Water Resources Holdings Ltd.**

**西藏5100水資源控股有限公司**

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1115)

**TERMS OF REFERENCE OF THE  
REMUNERATION COMMITTEE**

**(Adopted on 23 March 2012)**

**TIBET 5100 WATER RESOURCES HOLDINGS LTD.**  
**Terms of Reference of the Remuneration Committee (Adopted on 23 March 2012)**

---

Date of adoption

The following terms of reference (“**these Terms**”) of the Committee (as defined herebelow) was adopted by the Company (as defined herebelow) on 23 March 2012 and have become effective upon such adoption. All other terms of reference of the Committee previously adopted by the Company, if any, should be of no effect and superseded by these Terms.

Constitution

1. The remuneration committee (the “**Committee**”) of Tibet 5100 Water Resources Holdings Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) was established pursuant to the resolution of the board (the “**Board**”) of directors (the “**Directors**”) the Company passed on 14 June 2011.

Membership and Quorum

2. The member of the Committee shall be appointed by the Board. A majority of the members of the Committee should be independent non-executive Directors and the Committee should be chaired by an independent non-executive Director who is a member of the Committee.
3. The quorum for a meeting of the Committee shall be two members.
4. The company secretary of the Company shall be the secretary of the Committee. The secretary of the Committee or in his/her absence, his/her representative or any one member of the Committee, shall be the secretary of the meetings of the Committee.

Frequency and proceedings of meetings

5. The Committee shall meet as and when necessary or as requested by any Committee member. The Committee shall meet not less than once a year.
6. The provisions of the articles of association of the Company regulating the meetings and proceedings of the meetings of the Directors, insofar as the same are applicable and not inconsistent with the provisions of these Terms, shall *mutatis mutandis* apply to regulate the meetings and the proceedings of the meetings of the Committee.

## Authority

7. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any remuneration related information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
8. The Committee is authorised by the Board to, at the Company's expense, obtain external legal or other independent professional advice and to secure the attendance of external party(ies) with relevant experience and expertise if considered necessary. The Committee shall have sole authority to approve related fees and retention terms.
9. The Committee should be provided with sufficient resources to perform its duties.

## Duties

10. The Committee shall:—
  - (a) make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management (for the purpose of these Terms, "senior management" refers to the same persons as referred to in the Company's annual report and required to be disclosed under paragraph 12 of Appendix 16 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and on the establishment of a formal and transparent procedure for developing remuneration policy;
  - (b) review and approve the Directors and the senior management's remuneration proposals with reference to the Board's corporate goals and objectives;
  - (c) either:
    - (i) to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management; or
    - (ii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

The remuneration packages mentioned hereabove should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of the office or appointment of the executive Directors and senior management;

- (d) make recommendation to the Board on remuneration of non-executive Directors;

- (e) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (f) review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that such compensation is consistent with the contractual terms and is otherwise fair and not excessive;
- (g) review and approve compensation arrangements relating to dismissal or removal of the Directors for misconduct to ensure that the compensation arrangements are consistent with the contractual terms and are otherwise reasonable and appropriate;
- (h) ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration;
- (i) consult the Chairman of the Board and/or the Chief Executive Officer of the Company about the Committee's remuneration proposals for other executive Directors;
- (j) consider other topics as defined by the Board; and
- (k) disclose details of any remuneration payable to members of senior management by band in the annual report.

#### Reporting procedures

11. The Chairman of the Committee shall report directly to the Board on the Committee's decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).
12. The secretary to the Committee shall keep full minutes of all Committee meetings. Minutes of a Committee meeting shall record in sufficient detail the matters considered by the Committee members and decisions reached, including any concerns raised by the Committee members and dissenting views expressed during the meeting. Draft and final versions of minutes of the meetings should be sent to all Committee members for their comments and records respectively, in both cases within a reasonable time after the relevant meetings.
13. The secretary to the Committee shall also circulate the minutes of meetings, reports and all written resolutions of the Committee to all members of the Board, unless a conflict of interest exists or for the reasons mentioned in paragraph 11 above.

### Powers of the Board

14. The Board may, subject to compliance with the articles of association of the Company and the Listing Rules, amend, supplement and revoke these Terms and any resolution passed by the Committee provided that no amendments to and revocation of these Terms and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if these Terms or resolution had not been amended or revoked.

### Publication of these terms of reference

15. A copy of these Terms shall be made available on the Stock Exchange's website and the Company's website.

### Language

16. The English text of these Terms shall prevail over the Chinese text in case of any inconsistency.