

CHINA CITY INFRASTRUCTURE GROUP LIMITED
中國城市基礎設施集團有限公司
(Incorporated in the Cayman Islands with limited liability)

**TERMS OF REFERENCE FOR THE
REMUNERATION COMMITTEE**

Definitions

1. For the purposes of these terms of reference (the “Terms”):

Board means the board of directors of the Company.

Company Secretary means the company secretary of the Company.

Directors mean the directors of the Board.

Group means the Company and its subsidiaries at the relevant time.

Listing Rules means The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time).

Remuneration Committee (or Committee) means the remuneration committee established by the resolution of the Board.

Shareholders mean the shareholders of the Company.

Stock Exchange means The Stock Exchange of Hong Kong Limited.

2. The word “remuneration”, as used in these Terms, includes without limitation any salaries, bonuses, allowances, benefits (in cash or in kind), pension arrangements, reimbursements, compensation payments (including any compensation payable for loss or termination of office or appointment), incentive payments and share options.

Membership

3. The members of the Remuneration Committee shall be appointed by the Board from time to time from among the Directors and shall consist of not less than three members, a majority of whom shall be independent non-executive Directors. The quorum of a Remuneration Committee meeting shall be any two members of the Committee, one of whom must be independent non-executive Director.
4. The chairman of the Remuneration Committee shall be appointed by the Board and should be an independent non-executive Director.
5. No member of the Remuneration Committee shall receive, either directly or indirectly, any remuneration other than Directors’ fees from the Company for any advisory or consultancy role or otherwise.
6. The term of office of a member of the Remuneration Committee shall correspond to that of a Director.

7. Each member of the Remuneration Committee shall disclose to the Remuneration Committee:

(a) any personal financial interest (other than as a Shareholder of the Company) in any matter to be decided by the Remuneration Committee; and

(b) any potential conflict of interest arising from a cross-directorship.

Any such member shall abstain from voting on resolutions of the Remuneration Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions, and shall (if so required by the Board) resign from the Remuneration Committee.

Frequency and proceedings of meetings

8. Unless otherwise stated herein, the meetings of the Remuneration Committee are governed by the provisions contained in the Company's Articles of Association for regulating the meeting and proceedings of Directors.

9. Meetings shall be held by the Remuneration Committee at least once a year. The chairman of the Remuneration Committee shall convene a meeting upon request by any member of the Remuneration Committee. Meetings may be conducted by way of telephone or other electronic means.

10. An agenda and accompanying meeting papers should be sent in full to all members of the Committee in a timely manner and at least three days before the proposed date of a meeting of the Remuneration Committee (or other period agreed by members of the Committee).

11. Management is obliged to supply the Committee with adequate information, in a timely manner, in order to enable them to make informed decisions. The information supplied must be complete and reliable. Where a member requires more information than the information initially provided by management, then that member is entitled and encouraged to request further information until satisfied. All members shall have separate and independent access to management.

Annual General Meeting

12. The chairman of the Remuneration Committee shall attend the Company's annual general meeting and be prepared to respond to any Shareholders' question on the Remuneration Committee's activities.

13. If the chairman of the Remuneration Committee is unable to attend an annual general meeting of the Company, he/she shall arrange for another member of the Committee, or failing this, his/her duly appointed delegate, to attend in his/her place. Such person shall be prepared to respond to any Shareholder's question on the Remuneration Committee's activities.

14. The secretary of the Remuneration Committee shall be the Company Secretary or his/her appointed delegate.

Authority

15. The Remuneration Committee is authorized by the Board to discharge its duties within these Terms. It is authorized to seek any remuneration information it requires from the Directors and/or management. All Directors and/or management are directed to co-operate with the Remuneration Committee.
16. The Remuneration Committee is authorized and encouraged by the Board to obtain external independent professional advice from reputable internationally recognized advisors, at the Company's expense, and to secure the attendance of such external advisors with relevant experience and expertise. The Remuneration Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external remuneration consultant who advises the Remuneration Committee.

Duties

17. The duties of the Remuneration Committee shall include:
 - (a) making recommendations to the Board on the Company's policy and structure for all Directors' and management's remuneration and on establishing a formal and transparent procedure for developing remuneration policy;
 - (b) being responsible, as the Board shall direct, for making recommendations to the Board on the remuneration packages of individual executive Directors and management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
 - (c) making recommendations to the Board on the remuneration of non-executive Directors;
 - (d) considering salaries paid by comparable companies in the industry in which the Company operates, time commitment and responsibilities, and employment conditions elsewhere in the Group;
 - (e) reviewing and approving the compensation payable to executive Directors and management for any loss or termination of office or appointment in order to ensure that such compensation is consistent with the contractual terms and is otherwise fair, reasonable and not excessive;

- (f) reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct in order to ensure they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (g) ensuring that no Director or any of his/her associates (as defined in the Listing Rules) is involved in deciding his/her own remuneration; and
- (h) reviewing the Group's policy on expense reimbursements for the Directors.

18. In carrying out its duties under these Terms, the Remuneration Committee shall:

- (a) consult the chairman of the Board and/or the chief executive officer about the remuneration proposals for other executive Directors and management and consult independent professional advice if necessary;
- (b) provide competitive packages needed to attract, retain and motivate executive Directors of the quality required in line with market practice;
- (c) judge where to position the Company relative to other companies in the industry in which the Company operates. The Remuneration Committee shall be aware what comparable companies are paying and shall take account of relative performance;
- (d) be sensitive to market practice, including pay and employment conditions within the Company and elsewhere in the industry in which the Company operates, especially when determining annual salary increases;
- (e) ensure that the performance-related elements of remuneration form a significant proportion of the total remuneration package of executive Directors and management and are designed to align their interests with those of Shareholders and give the Directors and management incentives to perform at the highest levels; and
- (f) ensure that share options offered by the Company to its Directors or management (if any) are in accordance with Chapter 17 of the Listing Rules (if applicable) or the employees incentive schemes are in compliance with applicable laws and regulations, as applicable.

Reporting Procedures

- 19. Full minutes of the Remuneration Committee's meetings shall be kept by the secretary of the Remuneration Committee. The minutes shall be available for inspection at any reasonable time on reasonable notice by any Director.
- 20. Minutes of meetings of the Remuneration Committee shall record in sufficient detail the matters considered and decisions reached by the Remuneration Committee, including any concerns raised by the Directors or dissenting views expressed. Draft and final versions of minutes of such meetings shall be sent to all members of the Remuneration Committee for their comment and records respectively, in both cases within a reasonable time after such meetings.

21. Without prejudice to the generality of the duties of the Remuneration Committee set out in these Terms, the Remuneration Committee shall report back to the Board on its decisions and recommendations, unless there are legal or regulatory restrictions on doing so.

Provision of Terms

22. The Remuneration Committee shall provide these Terms upon request and upload it to the Stock Exchange's website and the Company's website to explain the duties of the Remuneration Committee and the authority the Board has granted to it.

Approval of Disclosure Statements

23. The Remuneration Committee shall be responsible for approving all disclosure statements in relation to the Remuneration Committee, including but not limited to relevant disclosure statements in annual reports, interim reports and information uploaded on the Stock Exchange's website and the Company's website.

Review of Terms

24. The Remuneration Committee shall review these Terms annually, and may consider and submit to the Board any proposed changes that the Remuneration Committee deems appropriate or advisable.

These Terms are written in both Chinese and English. If there is any inconsistency between the Chinese and English versions of this document, the English version shall prevail.

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