



北京控股環境集團有限公司 BEIJING ENTERPRISES ENVIRONMENT GROUP LIMITED

REMUNERATION COMMITTEE TERMS OF REFERENCE

The Remuneration Committee is established in accordance with rule 3.25 and paragraph B.1 of Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited under the authority of the Board. The Remuneration Committee performs an advisory role to the Board, with the Board retaining the final authority to approve executive directors' and senior management's remuneration.

COMPOSITION

1. The Remuneration Committee shall consist of not less than three members, and two members shall form a quorum of meeting.
2. A majority of the members of Remuneration Committee must be independent non-executive directors.
3. The Remuneration Committee must be chaired by an independent non-executive director.

MEETINGS

1. The Remuneration Committee shall meet at least once a year.
2. The company secretary shall be the secretary of the meetings.
3. The company secretary shall circulate all minutes of meetings and reports of the Remuneration Committee to all Board members.

AUTHORITY AND DUTIES

1. The Remuneration Committee should consult the Chairman of the Board and/or chief executive about their remuneration proposals for other executive directors.
2. The Remuneration Committee should be provided with sufficient resources to perform its duties. The Remuneration Committee should have access to independent professional advice, at the Company's expense, if necessary.
3. The Remuneration Committee's terms of reference include:
 - (a) to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management 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 packages of non-executive directors;

- (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 relevant 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 consistent with contractual terms and are otherwise reasonable and appropriate; and
- (h) to ensure that no director or any of his associates is involved in deciding his own remuneration.