

North Asia Resources Holdings Limited
(“Company”)

Terms of reference of the Remuneration Committee (“Committee”)
of the Board of Directors (“Board”) of the Company

1. Constitution

- 1.1 The Committee is established pursuant to a resolution passed by the Board at its meeting held on 3 June 2005.

2. Membership

- 2.1 Members of the Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members, a majority of which shall be independent non-executive directors. The initial members of the Committee shall be three.
- 2.2 The Chairman of the Committee shall be appointed by the Board.
- 2.3 The secretary of the Committee shall be appointed by the Board.
- 2.4 The appointment of the members of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee.

3. Proceedings of the Committee

- 3.1 **Notice:** Unless otherwise agreed by all the Committee members, a meeting shall be called by at least seven days’ notice. A Committee member may and, on the request of a Committee member, the secretary to the Committee shall, at any time summon any Committee meeting. Notice shall be given to each Committee member in person orally or in writing or by telephone or by telex or telegram or facsimile transmission at the telephone or facsimile or address from time to time notified to the secretary by such Committee member or in such other manner as the Committee members may from time to time determine. Any notice given orally shall be confirmed in writing. Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting.
- 3.2 **Quorum:** The quorum of the Committee meeting shall be two members of the Committee.
- 3.3 **Frequency:** Meetings shall be held not less than once a year to formulate, review and consider the remuneration policy and proposal prepared by the management of the Company and/or the remuneration arrangement implemented by the Company.
- 3.4 **Conflict:** A Committee member may not vote on any resolution of the Committee regarding his own remuneration.

4. Written resolutions

4.1 Written resolutions may be passed by all Committee members in writing.

5. Alternate Committee members

5.1 A Committee member may not appoint any alternate.

6. Authority of the Committee

6.1 The Committee may exercise the following powers:

- (a) to seek any information it requires from any employee of the Company and its subsidiaries (together, the “**Group**”) and any professional advisers (including auditors), to require any of them to prepare and submit reports and to attend Committee meetings and to supply information and address the questions raised by the Committee;
- (b) to review the performance of the Group’s employees (including directors and senior officers) in relation to the determination of the remuneration package to be offered to executive directors and senior management; and
- (c) to obtain, at the Company’s expenses, outside legal or other independent professional advice or assistance as it considers to be necessary, include the advice of independent human resource consultancy firm or other independent professionals, and to secure the attendance of outsiders with relevant experience and expertise at its meetings if it considers this necessary, and to obtain reliable, up-to-date information about remuneration in other companies in the industry. The Committee shall have full authority to commission any report or survey which it deems necessary to help it fulfill its duties and should be provided with sufficient resources to discharge its duties.

7. Duties

7.1 The duties of the Committee shall be:

- (a) to formulate and make recommendation to the Board on the Group’s policy and structure for all remuneration of the directors (“**Directors**”) of the Company and Senior Management of the Group and on the establishment of a formal and transparent procedures for developing policy on such remuneration, with an objective of such policy of ensure that employees of the Group are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group. For the purpose of these terms of reference, “Senior Management” shall be the category of persons, the relevant particulars of whom are required to be disclosed under paragraph 12 of Appendix 16 to the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
- (b) to have the delegated responsibility to determine the specific remuneration packages of all Directors and Senior Management, including benefits in kind, pension rights and compensation payments such as compensation payable for loss or termination of their office or appointment provided that, for the avoidance of doubt, remuneration of non-executive Directors shall be

determined by the Board. The Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration;

- (c) to make recommendations to the Board of the remuneration of non-executive Directors;
- (d) notwithstanding (b) above, to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time, and to review the performance against these corporate goals and objectives and (where applicable) the relevant performance criteria;
- (e) in respect of any service agreement to be entered into between any members of the Group and its director or proposed director, the prior approval of which by the shareholders of the Company in general meeting is required pursuant to the Listing Rules, to review and provide recommendations to the shareholders of the Company (other than shareholders who are directors with a material interest in the relevant service agreements and their respective associates) as to whether the terms of the service agreements are fair and reasonable and whether such service agreements are in the interests of the Company and the shareholders as a whole, and to advise shareholders on how to vote;
- (f) to 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 such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Group;
- (g) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with the relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
- (h) to ensure that no director or any of his associates (as defined in the Listing Rules) is included in deciding his own remuneration;
- (i) to consider the appointment of any person to be a Committee member either to fill a casual vacancy or as an additional Committee member or dismissal of any of them; and
- (j) to consider other matters, as defined or assigned by the Board from time to time.

8. Reporting procedures

- 8.1 The secretary to the Committee shall circulate the minutes of meetings and all written resolutions of the Committee to all members of the Board.

9. Continuing application of the bye-laws of the Company

- 9.1 The bye-laws of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

10. Powers of the Board

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

20 April 2010