



China Graphene Group Limited

中國烯谷集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 63)

(hereafter the “**Company**”)

Remuneration Committee – Terms of Reference (Adopted on 29 March 2012)

The English version shall always prevail in case of any inconsistency between the English version and the Chinese translation.

1. Members

- 1.1 The remuneration committee shall be established by the board of the Company (the “**Board**”).
- 1.2 A majority of the members of the remuneration committee must be independent non-executive directors.
- 1.3 The chairman of the remuneration committee must be appointed by the Board and must be an independent non-executive director.
- 1.4 The terms of appointment of members of the remuneration committee are determined by the Board at the appointment date.

2. Secretary

- 2.1 The company secretary of the Company shall act as the secretary of the remuneration committee.
- 2.2 The remuneration committee may from time to time, appoint any other person with appropriate qualification and experience to act as the secretary of the remuneration committee.

3. Meeting

- 3.1 The remuneration committee shall meet at least once a year.
- 3.2 Notice of at least 48 hours shall be given for any meeting, unless such notification is waived by all members of the remuneration committee. Notwithstanding the notice period, the attendance of the member of the committee at the meeting would be deemed a waiver of the required notice requirement. If a follow up meeting takes place within 48 hours after the meeting, then no notification is required for such follow up meeting.
- 3.3 The quorum necessary for the transaction of business of the remuneration committee shall be two members of the remuneration committee, one of whom must be an independent non-executive director.
- 3.4 Meeting can be attended in person or via electronic means including telephonic or videoconferencing. The members of the remuneration committee can attend the meeting via telephonic or any similar communication device (all persons attending such meeting should be able to hear from such member via such communication device).
- 3.5 Resolutions of the remuneration committee shall be passed by a majority of votes of the members in attendance.
- 3.6 A resolution passed and signed by all members of the remuneration committee is valid, and the validity is same as any resolution passed in the meeting held.
- 3.7 Full minutes of remuneration committee meeting shall be kept by the secretary of the remuneration committee and be available for review by the directors. Draft and final versions of minutes of meeting shall be sent to all committee members for their comment and records, within a reasonable time after the meeting.

4. Meeting attendance

- 4.1 Upon the invitation from the remuneration committee, the chairman of the Board and/or the general manager or the chief executive officer, external advisor and the other persons can be invited to attend all or part of any meeting.
- 4.2 Only the members of remuneration committee can vote in the meeting.

5. Annual General Meetings

The chairman of the remuneration committee or (if absence) another member of the remuneration committee (who must be an independent non-executive director) shall attend the annual general meeting of the Company, and be prepared to respond to the shareholders' questions on the activities and responsibilities of the remuneration committee.

6. Duties and Powers

The remuneration committee shall have the following duties and powers:

- 6.1 to 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;
- 6.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 6.3 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. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- 6.4 to make recommendations to the Board on the remuneration of non-executive directors;
- 6.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- 6.6 to review and approve the compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- 6.7 to 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; and
- 6.8 to ensure that no director or any of his associates is involved in deciding his own remuneration.

7. Declaration responsibility

The remuneration committee shall report to the Board every time after any meeting of the remuneration committee.

8. Authority

- 8.1 The remuneration committee shall consult the chairman of the Board and/or the chief executive about their remuneration proposals for other executive directors.
- 8.2 The remuneration committee is authorized to request the senior management of the Company to provide any required resources information related to the remuneration package to perform its duties.
- 8.3 The remuneration committee may seek independent professional advice at the expense of the Company if necessary, in order to discharge its duties.

Note: Arrangement to seek independent professional advice can be made via the company secretary of the Company.

- 8.4 The remuneration committee should be provided with sufficient resources to perform its duties.

Remark: "senior management" refers to the same persons referred to in the Company's annual report. It is the responsibility of the directors of the Company to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries; heads of divisions, departments or other operating units within the group as, in the opinion of the Company's directors, is appropriate.