



## KINETIC MINES AND ENERGY LIMITED

力量礦業能源有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**Stock Code: 1277**

**(the “Company”)**

### TERMS OF REFERENCE OF REMUNERATION COMMITTEE

#### **Purpose**

1. The purpose of the Remuneration Committee is to assist the board of directors (the “**Board**”) of the Company in determining the policy and structure for the remuneration of directors and senior management, reviewing incentive schemes and directors’ service contracts and fixing the remuneration packages for executive directors and senior management.

#### **Membership**

2. The Remuneration Committee shall be appointed by the Board from time to time and shall consist of not less than three directors, a majority of which shall be independent non-executive directors who shall meet and maintain the independence requirements from time to time as stipulated in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).
3. The Board shall appoint one member of the Remuneration Committee who is also an independent non-executive director as the chairman (the “**Chairman**”).

#### **Meetings**

4. The Remuneration Committee shall meet at least once annually, or more frequently if circumstances require.
5. The Chairman (or in his or her absence, a member designated by the Chairman) shall preside at all meetings of the Remuneration Committee. The Chairman shall be responsible for leading the Remuneration Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.
6. The company secretary of the Company shall be the secretary (the “**Secretary**”) of the Remuneration Committee.
7. The quorum of a meeting shall be two members of the Remuneration Committee, of whom at least one has to be an independent non-executive director.

8. Proceedings of meetings of the Remuneration Committee shall be governed by the provisions of the Articles of Association of the Company.
9. Minutes of meetings (both draft and final versions) of the Remuneration Committee and the records of individual attendance at such meetings shall be prepared by the Secretary which shall be sent to all members of the Remuneration Committee as soon as practicable after the conclusion of the meeting.

### **Authority**

10. The Remuneration Committee is authorised by the Board to determine or make recommendations to the Board on the remuneration payable to executive directors and members of senior management, the emolument policies and the basis for determining such emoluments. It shall ensure that no director should be involved in deciding his own remuneration.
11. The Remuneration Committee is authorised by the Board to obtain independent professional advice and assistance from internal or external legal, accounting or other advisers at the expense of the Company if necessary.
12. The Remuneration Committee shall have full access to management and may invite members of management or others to attend its meetings. The Remuneration Committee shall consult the chairman and/or chief executive of the Company about their remuneration proposals for other executive directors.
13. The Remuneration Committee shall be provided with sufficient resources to perform its duties.

### **Duties**

14. The Remuneration Committee shall perform the following duties:
  - (a) 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;
  - (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
  - (c) to determine, with delegated responsibility, or make recommendations to the Board on the specific remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment and to make recommendations to the Board on the remuneration of non-executive directors. The Remuneration Committee shall consider factors such as salaries paid by comparable companies, time commitment and responsibilities and employment conditions of the Company and its subsidiaries. The Remuneration Committee shall also ensure that the remuneration levels should be sufficient to attract and retain directors to run the Company successfully without paying more than necessary;

- (d) to review and approve compensation payable to executive directors and senior management for any loss or termination of their office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (e) 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;
- (f) to ensure that no director or any of his associates is involved in deciding his own remuneration;
- (g) to advise shareholders of the Company on how to vote in respect of any service contracts of directors that require shareholders' approval in accordance with the Listing Rules; and
- (h) to review from time to time as appropriate these Terms of Reference and the effectiveness of the Remuneration Committee and recommend to the Board any necessary changes.

### **Reporting Procedures**

15. The Remuneration Committee shall report to the Board on a regular basis.