



# China Fire Safety Enterprise Group Limited

中國消防企業集團有限公司

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

**(Stock code: 445)**

## **Terms of Reference for the Remuneration Committee**

The terms of reference for the Remuneration Committee (the “**Committee**”) of the board of directors (the “**Board**”) of China Fire Safety Enterprise Group Limited (the “**Company**”) are as follows:

### **1 Composition**

- 1.1 The Committee shall comprise a minimum of three members, who shall be appointed by the Board from time to time. Majority of the members of the Committee must be independent non-executive directors.
- 1.2 The Committee must be chaired by an independent non-executive director.
- 1.3 The company secretary of the Company or a person designated by the Committee from time to time shall act as the secretary of the Committee.

### **2 Meetings and Quorum**

- 2.1 The Committee shall meet at least once a year.
- 2.2 The quorum of a Committee meeting shall be two members.
- 2.3 Any member of the Committee may attend any meeting of the Committee by means of telephone conference, electronic or other communication equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantly and, for the purpose of counting a quorum, such attendance shall constitute presence at a meeting as if those attending were present in person.
- 2.4 The proceedings of the meetings of the Committee are governed by the provisions contained in the Articles of Association of the Company for regulating the proceedings of the Board.

### **3 Authority**

- 3.1 The Committee is authorized by the Board to conduct investigations within its terms of reference. It is authorized to obtain any information necessary from any employee of the

Company and its subsidiaries (collectively referred to as the “**Group**”).

- 3.2 The Committee should consult the chairman and / or chief executive of the Company about their remuneration proposals for other executive directors. The Committee should have access to independent professional advice if necessary and be provided with sufficient resources to perform its duties.

#### **4 Duties**

- 4.1 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.
- 4.2 To review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives.
- 4.3 To make recommendations to the Board on the remuneration packages of individual executive directors and senior management. The remuneration packages include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.
- 4.4 To make recommendations to the Board on the remuneration of non-executive directors.
- 4.5 To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group.
- 4.6 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 contractual terms and is otherwise fair and not excessive.
- 4.7 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.
- 4.8 To ensure that no director or any of his associates is involved in deciding his own remuneration.
- 4.9 To address and deal with other matters that may be delegated by the Board to the Committee.

#### **5 Reporting**

- 5.1 The Committee shall report to the Board on a regular basis. At the next meeting of the Board following the meeting of the Committee, the chairman of the Committee shall report to the Board its findings and recommendations.