



REAL GOLD MINING LIMITED

瑞金礦業有限公司

(incorporated in the Cayman Islands with limited liability)

("Company")

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE ADOPTED BY THE BOARD ON 30 JANUARY 2009 AND AMENDED ON 30 MARCH 2012 AND ON 30 AUGUST 2013

1 MEMBERSHIP

Code
Provision

- (a) The Nomination and Remuneration Committee (the "**Committee**") shall be appointed by the board of directors of the Company ("**Board**"). The Committee shall consist of not less than three members, a majority of whom should be independent non-executive directors of the Company ("**INEDs**"). The constitution of the Committee shall comply with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") from time to time.
- (b) The chairman of the Committee shall be an INED or the chairman of the Board ("**Chairman**") and a member of the Committee appointed by the Board.

A. 5.1

2 ATTENDANCE AT MEETINGS

- (a) The quorum for a meeting of the Committee shall be two members, both of whom must be INEDs.
- (b) The Chairman may attend meetings of the Committee, provided always that he shall not be in attendance when his own remuneration package or benefits are being discussed.
- (c) The Committee may, where appropriate, invite any executive directors and/or members of the management of the Company and/or external advisers to attend the meeting to advise its members.

- (d) The company secretary shall be the secretary of the Committee who should attend all meetings of the Committee.
- (e) Members of the Committee may participate in a meeting of the Committee by means of telephone conference or similar communications equipment in respect of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

3 FREQUENCY OF MEETINGS

Meetings shall be held not less than once a year. Any member of the Committee may request a meeting if he considers that one is necessary and upon the receipt of such request, the secretary of the Committee shall convene a meeting as soon as reasonably practicable and having regard to the convenience of all members with priority given to the INEDs.

4 NOTICE OF MEETINGS

Reasonable notice shall be given for the meetings to all members of the Committee.

5 COMMITTEE'S RESOLUTIONS

A resolution in writing signed by all members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more members of the Committee. Such resolution may be signed and circulated by fax or other electronic means. This provision is without prejudice to any requirement under the Listing Rules for a Board or Committee meeting to be held.

6 AUTHORITIES

- (a) The Committee is authorised by the Board to review, assess and make recommendations upon any issue within its terms of reference. It is authorised to seek any information it requires from any employee or executive director and such persons are directed to co-operate with any request made by the Committee.
- (b) The Committee is authorised by the Board, and at the reasonable expense of the Company, to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

- (c) The Company should provide the Committee sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities. A. 5.4
B. 1.4
- (d) Where the Board proposes a resolution to elect an individual as an INED at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe he should be elected and the reasons why they consider him to be independent. A5.5

7 PURPOSE AND GENERAL RESPONSIBILITIES

- (a) The purpose of the establishment of the Committee is (i) to ensure the procedure for setting policy on executive directors' remuneration, all directors' remuneration package and the senior management of the Company should be formal and transparent; (ii) to ensure remuneration levels should be sufficient to attract and retain directors to run the Company successfully, without paying more than necessary; and (iii) to review the structure, size and composition of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, to identify, screen and recommend to the Board appropriate candidates to serve as Director and oversee the process for evaluating the performance of the Board, diversity factors (including but not limited to gender, age, cultural and educational background and professional experience) to be taken into account in the review of the composition of the Board.
- (b) The Committee is to review and make recommendations concerning the remuneration packages and benefits of the Chairman, the executive directors and the senior management of the Company as an independent and impartial committee, which has no personal financial interest in the package and/or benefits recommended and who, in the setting of those remuneration packages, will consider and give due regard to both the performance levels of, and a fair reward for, the Chairman, executive directors and the senior management of the Company and in the interests of all the shareholders of the Company in the light of the financial and commercial circumstances of the Company from time to time. No director shall be involved in deciding his own remuneration. B. 1.1
- (c) The Committee must ensure that the Chairman, the executive directors and the senior management of the Company are fairly rewarded in the light of their contribution to the Company and their performance and that they receive suitable incentives to maintain high standards of performance and to improve their, and the Company's, performance.

(d) 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. B. 1.1

(e) The Company should disclose details of any remuneration payable to members of senior management by band, in the Company's annual reports. B.1.5

8 DUTIES

The duties of the Committee shall be:

(a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, diversity factors (including but not limited to gender, age, cultural and educational background and professional experience) to be taken into account in the review of the composition of the Board; A. 5.2(a) A. 5.6(Note)

(b) to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of, individuals nominated for directorships; A. 5.2(b)

(c) to assess the independence of INEDs; A. 5.2(c)

(d) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors in particular the chairman and the chief executive; A. 5.2(d)

(e) to be charged with the responsibility of making recommendations to the Board on the Company's policy and structure for directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy and also placing recommendations before the Board concerning the total remuneration and/or benefits granted to the directors and senior management from time to time; B. 1.2(a)

(f) to determine, with delegated responsibility the remuneration packages of individual executive directors and senior management or to make recommendations to the board on the remuneration packages of individual executive directors and senior management. Such remuneration packages include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment; B1.2 (c) (i) &(ii)

- (g) to make recommendations to the Board on the remuneration of non-executive directors;
- (h) the Committee should consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group; B. 1.2.(e)
- (i) 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 otherwise fair and not excessive; B. 1.2(f)
- (j) 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; B. 1.2(g)
- (k) to ensure that no director or any of his associates is involved in deciding his own remuneration; B. 1.2(h)
- (l) to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by the Listing Rules or applicable law;
- (m) to ensure the chairman of the Committee, or in the absence of the chairman, another member of the Committee or failing this his duly appointed delegate, is available to answer questions at the annual general meeting of the Company; E.1.2
- (n) to make recommendations to the board on the remuneration of non-executive directors; B.1.2.(d)
- (o) to review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives; and B.1.2.(b)
- (p) to have a policy concerning diversity of board members, which can be achieved through consideration of a number of factors, including but not limited to gender, age, cultural and educational background and professional experience, taking into account the business model and specific needs of the Company, and disclose the policy or a summary of the policy in the corporate governance report. A. 5.6

9 REPORTING PROCEDURES

- (a) The Committee shall report to the Board. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report the findings and recommendations of the Committee to the Board, unless there are legal or regulatory restrictions on their abilities to do so. D.2.2
- (b) The Committee's recommendations on remuneration will be placed before the Board in the form of a Board paper circulated in advance of Board meetings through the company secretary.
- (c) Such recommendations will be supported, wherever relevant, with indications of historical remuneration arrangements in respect of the individuals concerned.

10 AVAILABILITY AND UPDATE OF THE TERMS OF REFERENCE

These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements (e.g. the Listing Rules) in Hong Kong. These terms of reference shall be made available to the public by including the information on The Stock Exchange of Hong Kong Limited's website and the Company's website. A. 5.3
B. 1.3