



吉利汽車控股有限公司

GEELY AUTOMOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 175)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE ("THE COMMITTEE")

Composition of the Committee

Please refer to the "List of Directors and their Role and Function" as in force from time to time and published on the websites of both the Company and The Stock Exchange of Hong Kong Limited for identification of the Committee member.

Constitution of the Committee

The Committee shall comprise a majority of independent non-executive directors.

The Chairman of the Committee ("the Committee Chairman") shall be appointed by the board of directors of the Company ("the Board") and should be an independent non-executive director.

The Board may from time to time appoint additional members to the Committee from among the non-executive directors, subject to the condition that the independent non-executive directors should constitute the majority of the Committee and be the Committee Chairman.

Meetings and Quorum

The Committee shall meet with such frequency as it may consider appropriate, but in any event at least once a year.

The quorum for meetings shall be two Committee members, one of whom should be the Committee Chairman, unless he is unable to attend due to exceptional circumstances.

Full minutes of the Committee meetings should be kept by a duly appointed secretary of the meetings. Draft and final versions of minutes of the Committee meetings should be sent to all Committee members for their comment and records within a reasonable time after the meeting.

Role and Authority of the Committee

The Committee should consult the Chairman of the Board and/or Chief Executive about their remuneration proposals for other executive directors and senior management.

The Committee should have access to independent professional advice if necessary and be provided with sufficient resources to perform its duties.

The Committee is dedicated to making recommendations to the Board on the remuneration packages of individual executive directors and senior management, which should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment; levels of which should be sufficient to attract and retain directors to run the Company successfully without paying more than necessary. As in the case of determining the directors' respective remuneration packages, reference is to be made to the time required from each director to perform his duties to the Company as defined in their respective Service Agreements or Appointment Letters if the Board considers this necessary.

Functions of the Committee

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;
2. To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
3. To make recommendations to the Board on the remuneration of non-executive directors;
4. To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
5. 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;
6. 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;
7. To ensure that no director or any of his associates is involved in deciding his own remuneration;
8. To ensure that a significant proportion of executive directors' remuneration should link rewards to corporate and individual performance;
9. To review and approve the disclosure details of any remuneration payable to members of senior management by band in the annual reports;
10. To conduct a regular evaluation of the Board on its performance as it may consider appropriate; and
11. To review the general insurance cover in respect of legal action against the individual Board members annually, and make arrangements accordingly if find inappropriate and inadequate.