

Beijing Enterprises Holdings Limited

(the “*Company*”)

Terms of Reference for Remuneration Committee

Membership

1. The remuneration committee (the “*Committee*”) shall consist of at least three members of the Company’s board of directors (the “*Board*”) and comprise a majority of independent non-executive director.
2. The chairman of the Committee shall be an independent non-executive director.
3. The Committee may from time to time appoint any individual suitably qualified to act as the Committee’s secretary. If no such appointment has been make, the company secretary of the Company or his nominee shall act as the Committee’s secretary.

Frequency and proceedings of meetings

1. Frequency of meetings is unrestricted. The Committee shall meet upon request to address emerging issues as appropriate.
2. In addition, the Committee’s chairman may convene additional meetings at his discretion.
3. The quorum of a meeting shall be two Committee members.
4. Questions arising at any meeting of the Committee shall be decided by a majority of votes, and in case of an equality of votes the chairman of the meeting shall have a second or casting vote.
5. Subject to the provisions of the Listing Rules and unless these Terms of Reference otherwise require, proceedings of the Committee’s meetings shall be governed by articles 127 – 136 of the Company’s Articles of Association.

Duties, power and functions

1. The Committee should consult the chairman of the Board and/or chief executive about their remuneration proposals for other executive directors.
2. The Committee should have access to independent professional advice if necessary.
3. The duties of the Committee shall be:
 - (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) ~~either 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.
This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
 - (d) to make recommendations to the board on the remuneration of non-executive directors;
 - (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
 - (f) 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;
 - (g) 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

- (h) to ensure that no director or any of his associates is involved in deciding his own remuneration.

Reporting

At the next Board meeting following a Committee's meeting, the Committee's chairman shall report the Committee's findings and recommendations to the Board.

- The End -