



Chifeng Jilong Gold Mining Co., Ltd.

赤峰吉隆黄金矿业股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(H Shares Stock Code: 6693)

Terms of Reference of the Remuneration and Appraisal Committee of the Board of Directors

The terms of reference of the Remuneration and Appraisal Committee of the board (the “**Board**”) of directors (the “**Directors**”) of Chifeng Jilong Gold Mining Co., Ltd. (the “**Company**”) are set out below.

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to further establish a sound management system for appraisal and remuneration of Directors and senior management members of the Company, as well as improve the Company’s governance structure, the Remuneration and Appraisal Committee of the Board of Directors was established and the Terms of Reference of the Remuneration and Appraisal Committee were formulated by the Company in accordance with the Company Law of the People’s Republic of China, the Guidelines for the Governance of Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies, the Guidelines for Self-Regulation of Companies Listed on the Shanghai Stock Exchange No. 1 – Regulation of Operation, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd. and other relevant requirements.

Article 2 The Remuneration and Appraisal Committee is a specialized body established by the Board of Directors and is accountable to the Board of Directors. Its primary responsibilities include formulating the assessment standards for and evaluating the Company’s Directors and senior management members, formulating and reviewing the remuneration policies and plans for the Company’s Directors and senior management members, and make recommendations to the Board of Directors on the following matters:

- (1) the remuneration of Directors and senior management members;
- (2) formulating or changing equity incentive schemes, employee stock ownership plans, and conditions for incentive participants to be granted with and exercise interests;
- (3) the arrangement of stock ownership plans for subsidiaries to be spun off by the Directors and senior management members;
- (4) other matters as stipulated in laws, administrative regulations, the securities regulatory rules of the jurisdiction where the Company’s shares are listed and the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd.

CHAPTER 2 MEMBERSHIP

Article 3 The Remuneration and Appraisal Committee shall consist of no less than three Directors, of which independent Directors shall constitute a majority.

Article 4 The members of the Remuneration and Appraisal Committee shall be nominated by the Chairman of the Board of Directors, by more than one half of independent Directors, or by one-third of the total number of Directors. The members shall then be elected by the Board of Directors.

Article 5 The Remuneration and Appraisal Committee shall have a chairman, who must be an independent Director, and who will be responsible for presiding over the work of the Committee's activities. The chairman shall be elected by the Remuneration and Appraisal Committee members and be approved by the Board of Directors.

Article 6 The term of office of a Remuneration and Appraisal Committee member shall align with the term of the Board of Directors. Members of the Remuneration and Appraisal Committee may be re-elected at the end of their term. If, during the term of office, a member ceases to be a director of the Company or a member as an independent director no longer satisfies the independence requirements set by the securities regulatory authorities in the jurisdiction where the Company's shares are listed, his/her membership shall automatically terminate and a replacement shall be appointed by the Committee in accordance with Articles 3 to 5 above.

Article 7 The Remuneration and Appraisal Committee shall set up a working group, which is responsible for providing the Company's relevant business information and the relevant information of the personnel being evaluated, preparing for the meetings of the Remuneration and Appraisal Committee and implementing the relevant resolutions of the Remuneration and Appraisal Committee. Its members are selected by the Remuneration and Appraisal Committee.

CHAPTER 3 POWERS AND DUTIES

Article 8 The Remuneration and Appraisal Committee shall perform the following duties:

- (1) To study the appraisal criteria for Directors and senior management, conduct appraisals and make recommendations to the Board of Directors on the remuneration packages of individual executive Directors and senior management, including non-pecuniary benefits, pension rights and the amount of compensation (including compensation for loss or termination of office or appointment);
- (2) To study and review the remuneration policies and proposals for Directors and senior management, and make recommendations to the Board of Directors on the overall remuneration policies and structure for Directors and senior management and on establishing a formal and transparent process for formulating such remuneration policies;
- (3) To continuously improve the remuneration system according to the development of the market and the Company, and review and approve the remuneration proposals of the management according to the corporate goals and objectives set by the Board of Directors;
- (4) To make recommendations to the Board of Directors on the remuneration of non-executive Directors;
- (5) To consider the remuneration paid by comparable companies, time commitment and responsibilities, as well as the employment conditions of other positions in the Group;

- (6) To review and approve the compensation payable to executive Directors and senior management for their loss or termination of office or appointment to ensure that such compensation is consistent with the contractual terms; if not, the compensation shall be fair and reasonable, and not excessive;
- (7) To ensure that no director or any of his/her associates is involved in the determination of his/her own remuneration;
- (8) To review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
- (9) To handle any matters required by applicable laws, regulations, the securities regulatory rules of the jurisdiction where the Company's shares are listed, the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd., and the Board of Directors.

Article 9 The main duties of the chairman are as follows:

- (1) To convene and preside over Committee meetings;
- (2) To supervise and evaluate the work of the Committee;
- (3) To sign relevant documents of the Committee;
- (4) To report the work of the Committee to the Board of Directors;
- (5) To attend the Company's annual general meetings and respond to shareholder questions on matters within the Committee's responsibilities. If the chairman of the Committee is unable to attend any annual general meeting, another member or an appointed delegate shall attend in their place;
- (6) To perform any other duties as required or conferred by laws, regulations, the securities regulatory rules of the jurisdiction where the Company's shares are listed, the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd., and the Board of Directors.

Article 10 The rights and obligations of the Committee members are as follows:

- (1) To attend Committee meetings punctually, contribute to discussions, and exercise voting rights;
- (2) To propose issues for discussion at Committee meetings;
- (3) To attend or observe relevant Company meetings, conduct investigations and research, and obtain necessary reports, documents, materials, and other relevant information as required to fulfill their duties;

- (4) To fully understand the Committee's duties and their individual responsibilities as a member, remain familiar with the Company's management, business activities, and development relevant to their duties, and ensure that they are capable of performing their responsibilities;
- (5) To dedicate the necessary time and effort to fulfill their duties effectively;
- (6) To perform any other duties as required or conferred by laws, regulations, the securities regulatory rules of the jurisdiction where the Company's shares are listed, the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd., and the Board of Directors.

Article 11 The remuneration plan of the Company's Directors proposed by the Remuneration and Appraisal Committee shall, after approved by the Board of Directors, be submitted to the general meeting for consideration and approval before implementation. The remuneration plan of the Company's senior management shall be submitted to the Board of Directors for approval.

If the Board of Directors does not adopt or fully adopt the recommendations of the Remuneration and Appraisal Committee, the Board of Directors shall record the opinions of the Remuneration and Appraisal Committee and the specific reasons for not adopting in a resolution of the Board of Directors, and make corresponding disclosure.

CHAPTER 4 DECISION-MAKING PROCEDURE

Article 12 The working group under the Remuneration and Appraisal Department shall be responsible for preparing preliminary materials and providing documentation for the Remuneration and Appraisal Committee meetings, including:

- (1) Providing information regarding the progress in achieving major financial indicators and business objectives of the Company;
- (2) The division of labor of the Company's senior management and the execution of their respective main duties;
- (3) Providing information on the progress in achieving the targets considered in the appraisal system of performance of Directors and senior management;
- (4) Providing the basis of measurement and calculation in relation to formulating the Company's remuneration plan and method of distribution with reference to the results of the Company;
- (5) Proposing the amount of remuneration and method of reward for the Directors and senior management according to the performance appraisal structure and remuneration distribution policies, which shall be submitted to the Board of Directors for consideration after being considered and approved. If necessary, it shall be submitted to the general meeting of the Company for consideration.

Article 13 The procedures for appraising the Directors and senior management adopted by the Remuneration and Appraisal Committee are as follows:

- (1) The Directors and senior management of the Company shall report their work and conduct self-appraisals to the Remuneration and Appraisal Committee under the Board of Directors;
- (2) The Remuneration and Appraisal Committee shall carry out performance appraisal of the Directors and senior management according to the performance appraisal standards and procedures;
- (3) A proposal on the amount of remuneration and method of reward for the Directors and senior management based on the results of performance appraisals and the remuneration distribution policies shall be made and, after a voting in its favor, shall be reported to the Board of Directors.

CHAPTER 5 RULES OF PROCEDURE

Article 14 The Remuneration and Appraisal Committee shall meet as required and shall meet at least once a year. The President (general manager) and the chairman of the Remuneration and Appraisal Committee of the Company may propose to convene a meeting when deemed necessary.

Article 15 Notices of the Remuneration and Appraisal Committee meetings and relevant documents shall be sent to all members and other invited attendees at least three days before the meeting. In urgent situations, meetings may be convened on short notice, provided that the reason is explained during the meeting. The chairman shall preside over the meeting, and if the chairman is unable to attend the meeting, another independent director member may be appointed to lead the meeting.

Article 16 A meeting of the Committee shall only be valid if more than two-thirds of the members are present. Voting may be conducted by show of hands or by poll. Extraordinary meetings may be convened by voting by correspondence and each member has one vote. Resolutions must be approved by a majority of the Committee members.

Article 17 Meetings of the Remuneration and Appraisal Committee shall generally be held on-site. Unless otherwise specified in the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd. or these Terms of Reference, an extraordinary meeting may be convened via correspondence, provided that members are able to fully express their views. Voting at on-site meetings may be conducted by show of hands or by poll. When voting by correspondence or show of hands, members of the Remuneration and Appraisal Committee shall be deemed to have attended the meeting and agreed to its content by signing the resolutions.

Article 18 When necessary, the Company's Directors, supervisors, and senior management may be invited to attend the meetings of the Remuneration and Appraisal Committee.

Article 19 If necessary, the Remuneration and Appraisal Committee may engage an external consultant to provide professional opinions for its decision-making, at the Company's expense.

Article 20 The procedures for convening meetings, voting methods, and the resolutions passed must comply with relevant laws, regulations, the securities regulatory rules of the jurisdiction where the Company's shares are listed, the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd., and the relevant provisions set forth in these Terms of Reference.

Article 21 The meetings of the Committee shall have minutes, which shall be signed by the members present, and the Secretary of the Board of Directors shall retain the minutes.

Article 22 The resolutions passed, the voting results of the Committee meetings and the suggestions and opinions on the resolutions shall be reported in writing to the Board of Directors with a copy to the president of the Company.

Article 23 Members present at the meeting are obligated to keep the matters discussed at the meeting confidential and are prohibited from disclosing any relevant information without authorization.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 24 The Board of Directors shall have the authority to interpret these Terms of Reference.

Article 25 Any matters not addressed in these Terms of Reference shall be governed by the relevant laws and regulations of the state, the securities regulatory rules of the jurisdiction where the Company's shares are listed, and the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd.

Article 26 Upon approval by the Board of Directors, these Terms of Reference shall come into effect on the date the Company's H Shares are filed with the China Securities Regulatory Commission and listed on the Main Board of The Stock Exchange of Hong Kong Limited. Any amendments shall be subject to approval by the Board of Directors.