

# **Morning Star Resources Limited**

*(the "Company")*

*(Incorporated in the Cayman Islands)*

## **Terms of Reference of Remuneration Committee**

*(the "Committee")*

### **1. Membership**

- (a) The Committee shall be appointed by the board of directors ("the Board"). The Committee shall be made of at least three members, a majority of whom shall be Independent Non-Executive Directors.
- (b) Only members of the Committee have the right to attend Committee meetings. Other individuals such as Chairman of the Board shall be in attendance with other senior management if deemed appropriate and invited by the Remuneration Committee.
- (c) The Board shall appoint the Chairman of the Committee who shall be an Independent Non-Executive Director. In the absence of the Chairman of the Committee and/or an appointed deputy, the remaining members present shall elect one of their members to chair the meeting.
- (d) The Company Secretary of the Company shall be the Secretary of the Committee.

### **2. Frequency and proceedings of meetings**

- (a) The Committee shall meet at least once a year. Additional meetings shall be held as the work of the Committee demands.
- (b) The Chairman of the Committee may convene additional meetings at his discretion.
- (c) The quorum necessary for transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercised by the Committee.
- (d) Meetings of the Committee shall be conducted in accordance with the provisions of the Company's Articles of Association governing the proceedings of Directors of the Company.

### **3. Committee's Resolutions**

A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held and may consist of several documents in like form each signed by one or more of the members of the Committee.

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#### **4. Responsibilities**

The Committee shall -

- (a) make recommendations to the Board on the Company's policy and structure for all Directors and senior management remuneration of the Company and on the establishment of a formal and transparent procedure for developing remuneration policy -;
- (b) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment etc.);
- (d) make recommendations to the Board on the remuneration of Non-Executive Directors;
- (e) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (f) 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) 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) ensure that no director or any of his associates is involved in deciding his own remuneration.

#### **5. Authority**

The Company should provide the Committee with sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

#### **6. Reporting procedures**

The minutes of meetings/written resolutions of the Committee shall be circulated to all members of the Board on a regular basis. 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.

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