



CHINA COAL ENERGY COMPANY LIMITED*

中國中煤能源股份有限公司

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

(Stock Code: 01898)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE OF THE BOARD OF DIRECTORS

Article 1 Main duties of the Remuneration Committee of the board of directors (the “**Board**”) of China Coal Energy Company Limited (the “**Company**”) include:

- (1) to formulate the structure and remuneration policy of directors and senior management members of the Company, and implement the remuneration policy approved by the Board;
- (2) to set out remuneration plans and proposals of senior management members of the Company, as well as to assess the performance of senior management members, making recommendations and suggesting proposals to the Board regarding the annual remuneration, welfare and the equity incentive plan of senior management members;
- (3) to make recommendations to the Board concerning the remuneration, welfare and the equity incentive plan of directors;
- (4) to consider the remuneration paid by similar companies, the hours and responsibilities required and the conditions of employment of other positions in the Company, the corporate policy and objectives set by the board of directors, and to manage and regularly examine the long-term remuneration incentive plan or the equity incentive plan of directors, employees and senior management members, so as to make recommendations to the Board;
- (5) to review and approve the compensation payable to executive directors and senior management members in connection with any loss or termination of their office and appointment to ensure that such compensation be determined in accordance with relevant contractual terms and, if otherwise, that such compensation be fair and reasonable and not excessive to the Company;
- (6) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such compensation be determined in accordance with relevant contractual terms and, if otherwise, that such compensation be reasonable and appropriate;
- (7) to ensure that neither any director nor any associate (as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited) shall participate in deciding his own remuneration;
- (8) other matters authorised by the Board.

Article 2 The Board has the right to vote down remuneration plans and proposals that would jeopardise the interest of the shareholders.

Article 3 The remuneration proposal of directors of the Company suggested by the Remuneration Committee shall, after approved by the Board, be put forward, considered and passed at the general meeting of shareholders before implementation; the remuneration proposal of senior management members of the Company must be approved by the Board.

* *For identification purpose only*