



Shanghai Qingpu Fire-Fighting Equipment Co., Ltd

上海青浦消防器材股份有限公司

*(Incorporated in the People's Republic of China with
limited liability)*

(Stock code: 8115)

Remuneration Committee

Terms of Reference

1 Constitution

The board of directors of the Company (the "Board") resolved on 24 April 2010 to establish a committee of the Board to be known as the Remuneration Committee (the "Committee").

2 Membership

- a) The Committee shall consist of not less than three members, a majority of whom, including the Chairman of the Committee appointed by the Board, should be independent non-executive directors of the Company.
- b) In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves (who must be an independent non-executive Director of the Company) to chair the meeting.

3 Attendance at meetings

- a) Only members of the Committee have the right to attend Committee meetings. However, other individuals such as other directors, senior management and external advisers may be invited to attend for all or part of any meeting as and when appropriate.
- b) The secretary of the Company shall be the secretary of the Committee.

4 Quorum

The quorum necessary for the transaction of business shall be two. 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 exercisable by the Committee.

5 Notice of meetings

- a) Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any of its members.
- b) Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend, no later than two working days before the date of the meeting. Supporting papers (if any) shall be sent to Committee members and to other attendees as appropriate, at the same time.

6 Frequency of meetings

The Committee shall meet at least once a year and at such other times as the Chairman of the Committee shall require.

7 Authority

- a) The Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee. It shall be provided with sufficient resources to discharge its duties.
- b) The Committee is authorized by the Board to consult the Chairman and/or Chief Executive Officer of the Company about their proposals relating to the remuneration of other executive directors, have access to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

8 Duties

- 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) To determine/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);
- 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.

9 Reporting Responsibilities

- a) The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- b) The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed; and
- c) The secretary shall circulate the minutes of meetings and reports of the Committee, if any, to all members of the Board.