



中國交通建設股份有限公司

CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED

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

(Stock Code: 1800)

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

(Considered and approved at the 2nd meeting of the first session of the Board of Directors on 8 October 2006, with the first time amendments made at the 4th meeting of the second session of the Board of Directors on 1 June 2010, the second time amendments made at the 11th meeting of the second session of the Board of Directors on 9 March 2011, the third time amendments made at the 19th meeting of the second session of the Board of Directors on 26 March 2012, the fourth time amendments made at the 8th meeting of the third session of the Board of Directors on 24 November 2014.)

CHAPTER 1 GENERAL PROVISIONS

Article 1 These rules are formulated for the Remuneration and Appraisal Committee, which may established by China Communications Construction Company Limited (the “Company”) in accordance with the Company Law of the People’s Republic of China, the Standards on Corporate Governance of Listed Companies, the Articles of Association of China Communications Construction Company Limited (the “Articles of Association”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and relevant regulations, in order to improve the appraisal and remuneration management system for directors and senior management and improve corporate governance structure of the Company.

Article 2 The Remuneration and Appraisal Committee, as a body specifically set up by the board of directors (the “Board”) of the Company according to the resolution of the shareholders’ general meeting, is mainly responsible for formulating the appraisal standards on directors and senior management, implementing the appraisals and formulating and examining the remuneration policies and schemes for directors and senior management of the Company, and shall report to the Board.

Article 3 For the purpose of these rules, senior management includes President, Vice President, Chief Financial Officer, Secretary of the Board appointed by the Board and other senior management members defined under the Articles of Association.

CHAPTER 2 COMMITTEE COMPOSITION

Article 4 The Remuneration and Appraisal Committee shall consist of not less than three directors, a majority of which shall be independent directors.

Article 5 Members of the Remuneration and Appraisal Committee shall be nominated by the Chairman of the Board, elected by the Board and approved by a majority of the Board. Where a resolution to re-elect a member is passed, the newly elected member shall assume office immediately after the conclusion of the meeting of the Board.

Article 6 The Remuneration and Appraisal Committee shall have one chairman who shall be an independent director to preside over the committee. The chairman of the committee shall be nominated by the Chairman of the Board and considered and approved by the Board.

Article 7 The term of office of the committee shall be in congruence with that of the Board. Members may be re-elected and re-appointed upon the expiry of their terms of office. If a member no longer maintains the position as a director of the Company during the term, he or she shall automatically lose the qualification as a member of the committee.

Article 8 A member of the committee may request to the Board to resign before expiry of his/her term of office, in which case the resignation letter shall include necessary statements on the reason of resignation and any matters that need to be brought to the attention of the Board.

Article 9 Members of the committee are subject to adjustments during their terms, if so proposed by the Chairman of the Company and considered and passed by the Board.

Article 10 In the event that the number of members of the committee falls below the quorum hereunder, the vacancy shall be filled up in accordance with these rules.

CHAPTER 3 DUTIES OF THE COMMITTEE

Article 11 Main duties of the Remuneration and Appraisal Committee include:

- (1) 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; and to consider the standards on performance appraisal for directors and senior management, conduct appraisals and make recommendations;
- (2) to review and approve the management's remuneration proposals with reference to the corporate goals and objectives established by the Board;
- (3) to determine the specific remuneration package for all 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), and make recommendations to the Board on the remuneration of the non-executive directors. The Remuneration and Appraisal Committee shall consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, recruitment conditions for other positions of the Company, etc.;

- (4) 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 otherwise fair and not excessive for the Company;
- (5) 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;
- (6) to ensure that no director or any of his associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) is involved in determining his own remuneration;
- (7) other duties as delegated by the Board and any other duties required by the Company's obligations under the applicable laws, regulations and rules as revised from time to time.

The Remuneration and Appraisal Committee shall make available its terms of reference at the websites of the Stock Exchange and the Company, explaining its role and the authority delegated to it by the Board. The Remuneration and Appraisal Committee should be provided with sufficient resources to discharge its duties.

Article 12 The remuneration plan for directors and supervisors proposed by the Remuneration and Appraisal Committee shall be approved by the Board, subject to the consideration and approval at the shareholders' general meeting; and the remuneration scheme for senior management shall be approved by the Board. The Board has the right to veto any remuneration plan or scheme that is contrary to the interests of shareholders.

Article 13 The Remuneration and Appraisal Committee shall report to the Board.

Article 14 Duties of the chairman of the Remuneration and Appraisal Committee include:

- (1) to convene and chair the meetings of the committee;
- (2) to supervise and examine the operations of the committee;
- (3) to sign on relevant documents of the committee;
- (4) to report to the Board on the operations of the committee;
- (5) other duties as requested by the Board.

Article 15 The work unit of the Remuneration and Appraisal Committee is responsible for preliminary preparations and providing the following information of the Company for the Remuneration and Appraisal Committee to make decisions:

- (1) key financial indicators and the performance of business goals;
- (2) respective scope of work and major duties of the Company's senior management;
- (3) the indicators completed by directors, supervisors and senior management in the post performance appraisal system;
- (4) the business performance attributable to business innovation and profit-making capabilities of directors, supervisors and senior management;
- (5) relevant calculation basis for determining the Company's remuneration distribution plan and method according to its business results.

CHAPTER 4 MEETINGS OF THE COMMITTEE

Article 16 Meetings of the Remuneration and Appraisal Committee comprise regular meetings and extraordinary meetings. Regular meeting shall be convened at least once a year, with a notice in written despatched to all members 7 days prior to the meeting.

An extraordinary meeting shall be convened, with a notice despatched to all members 3 days prior to the meeting, within 7 days upon occurrence of any of the following circumstances:

- (1) whenever the Board deems necessary;
- (2) whenever the chairman of the committee deems necessary;
- (3) when proposed by one-third or more of the members of the committee.

Article 17 The Board Office is responsible for notices and affairs of the meetings of the committee. The notice of meeting shall specify the time, place, session, agenda and topics of the meeting, time issuing the notice, etc.

Article 18 Upon reception of the notice of meeting, members of the committee shall give confirmation and provide relevant information (including but not limited to the availability of presence, schedule, etc.) in a timely and appropriate manner.

Article 19 The quorum of the meetings of the committee shall be all of its members.

Members should be present in person at the meetings (physically attending or through teleconferences). A member unable to be present in person may appoint another member of the committee by the power of attorney as duly signed to attend and exercise relevant duties and powers at the meeting on his/her behalf. The power of attorney shall specify the names of the principal and the proxy, the scope, authority and validity period of authorizations, etc.

Article 20 A member failing to attend a meeting of the committee in person without justifiable reasons for three times in succession shall be deemed as incapable of performing the duties for a member of the Remuneration and Appraisal Committee, and is subject to replacement by the Board in accordance with these rules.

CHAPTER 5 PROCEDURES OF MEETINGS

Article 21 Each member of the Remuneration and Appraisal Committee shall have one ballot for voting. Resolutions of the meetings shall be passed by a majority of all members.

Article 22 Regular meetings of the committee shall be held in the form of on-site meeting, where voting shall be made by a show of hands or by poll; and extraordinary meetings may also be held by telecommunication or through written proposals to be considered respectively.

Article 23 In the event that a member or his/her close relatives or any other company under their control is directly or indirectly interested in a matter to be considered at a meeting of the Remuneration and Appraisal Committee, the member shall as soon as practicable disclose to the Remuneration and Appraisal Committee the nature and extent of such interests. A majority of all members (excluding the interested member) of the Remuneration and Appraisal Committee is required to resolve as to whether the member shall abstain from voting. The vote of the member who has discloseable interests but did not make disclosure to the Remuneration and Appraisal Committee shall be, upon confirmation, deemed as invalid, and if the voting result is affected as a result, the subject matter shall be re-voted. If the new voting result is different from the original one, the original resolution shall be revoked or, if under implementation, be implemented according to the new voting result. A member failing to disclose such discloseable interests for two times in aggregation shall automatically lose the qualification as a member of the Remuneration and Appraisal Committee, and the Board shall fill up the vacancy in accordance with the Articles of Association and these rules.

Article 24 Where the number of members falls below the quorum for a meeting of the Remuneration and Appraisal Committee as a result of the abstaining of an interested member, a resolution shall be made by all members (including the interested member) on the procedural issues of the proposal, subject to consideration on its content by the Board.

Article 25 The meeting minutes or resolutions of the Remuneration and Appraisal Committee shall specify the abstaining, if any, of any interested members.

Article 26 The Secretary of the Board shall attend meetings of the Remuneration and Appraisal Committee as non-voting participants; and other directors, supervisors and senior management members of the Company may be invited as non-voting participants when necessary.

Article 27 If necessary, the Remuneration and Appraisal Committee may engage independent intermediary agencies to provide professional advice for its decision-making at the Company's expense.

Article 28 When a matter in connection with a member of the Remuneration and Appraisal Committee is considered at the meeting, the person concerned shall be absent from such consideration.

Article 29 The convening procedures and voting method of the meetings of the Remuneration and Appraisal Committee and the remuneration policy and distribution scheme passed at such meetings shall be in compliance with the relevant laws, regulations, the Articles of Association and these rules.

Article 30 Minutes shall be kept for the meetings of the Remuneration and Appraisal Committee, bearing signatures of the members present at the meetings, and shall be kept by the Board Office of the Company. The draft and final versions of the meeting minutes of the committee shall be delivered within a reasonable period of time after the meeting to all members of the committee, for their comment and inspection respectively.

Article 31 Resolutions and voting results of the meetings of the Remuneration and Appraisal Committee shall be reported to the Board in written form. In case that it is difficult to reach an agreement on a proposal, the different opinions shall be submitted to the Board with explanations.

Article 32 All members present at the meeting are obligated to keep confidentiality of the matters considered at the meeting, and shall not disclose the relevant information without authorization.

CHAPTER 6 WORK UNIT OF THE COMMITTEE

Article 33 The Company shall establish a work team for the Remuneration and Appraisal Committee as its work unit to provide supports and services, and undertake relevant engagements of the committee.

Article 34 The lead of the work team shall be a senior management member in charge of remuneration management of the Company, and the team members shall consist of department heads of Human Resources Department, Board Office, Finance & Treasury Department, Budget and Appraisal Department, etc., with the Human Resources Department as the leading department.

Article 35 The work team shall formulate the work rules and procedures for its services to the committee, and submit the same to the Board for filing.

CHAPTER 7 SUPPLEMENTARY PROVISIONS

Article 36 Unless otherwise specified, terms used herein shall have the same meaning ascribed thereto under the Articles of Association.

Article 37 These rules shall be implemented on the date of approval by the Board.

Article 38 The matters not covered by these rules shall be governed by the relevant laws and regulations of the PRC, the rules of securities regulatory authorities and the Stock Exchange and the Articles of Association. In case of any discrepancy between these rules and any of the laws and regulations of the PRC or the rules of securities regulatory authorities and the Stock Exchange promulgated in future or the Articles of Association as amended through valid procedures, the latter shall prevail and these rules shall be revised immediately, and be considered and approval by the Board.

Article 39 These rules shall be interpreted by the Board.