

BRILLIANCE CHINA AUTOMOTIVE HOLDINGS LIMITED
(華晨中國汽車控股有限公司)*
(Incorporated in Bermuda with limited liability)

**Terms of reference for the Remuneration Committee
of the board of directors of
Brilliance China Automotive Holdings Limited (the “Company”)
adopted by
the board of directors of the Company
at a meeting held on 17th June, 2005**

Constitution

1. The board of directors of the Company (the “Board”) hereby resolves to establish a committee (the “Committee”) of the Board to be known as the Remuneration Committee.

Membership

2. The Committee shall be appointed by the Board and shall consist of not less than three members, a majority of whom should be Independent Non-Executive Directors of the Company. A quorum for meeting shall be two members.
3. The Chairman of the Committee shall be appointed by the Board.

Secretary

4. The company secretary shall be the secretary of the Committee.

Frequency of meetings

5. Meetings shall be held not less than once a year. Meetings will be held at the request of any member of the Board.

Authority

6. The Committee may request from the management information relating to the compensation and remuneration packages of employees as appropriate to enable members of the Committee to perform their duties set out herein.
7. The Committee may consult the chairman and/or chief executive officer of the Company regarding any proposed remuneration or compensation in respect of any executive director of the Company, as appropriate. The Committee is also authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of other persons with relevant experience and expertise, at the expense of the Company.

* for identification purposes only

Duties

8. The duties of the Committee shall be:
- (a) to make recommendations to the Board on the policy and structure for all remuneration of the directors and senior management of the Company and its subsidiaries (collectively the “Group”) and on the establishment of a formal and transparent procedure for developing the Group’s policy on such remuneration;
 - (b) to determine the specific remuneration packages of 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 non-executive directors;
 - (c) to review and approve performance-based remuneration in accordance with corporate goals and objectives resolved by the Board from time to time;
 - (d) to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment in order to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Group;
 - (e) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
 - (f) to ensure that no director or any of his associates is involved, directly or indirectly, in deciding such director’s remuneration; and
 - (g) in respect of any service agreement to be entered into between any members of the Group and its respective director or proposed director, the prior approval of which by the shareholders of the Company in general meeting is required pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), to review and provide recommendations to the shareholders of the Company (other than the shareholders who are directors with a material interest in the relevant service agreements and their respective associates (as defined in the Listing Rules)) as to whether the terms of the service agreements are fair and reasonable and whether such service agreements are in the interests of the Company and the shareholders as a whole, and to advise shareholders on how to vote.

Reporting procedures

9. The secretary of the Committee shall circulate the draft and final versions of minutes of the Committee meetings to all members of the Committee for comment and approval and circulate reports of the Committee to all members of the Board.