

**Titanium Asset Management Corp.  
(the “Company”)**

**TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE  
(the “Committee”)**

**1. CONSTITUTION AND AUTHORITY**

**1.1 The Committee has been established by the board of directors of the Company (each a “Director”) (together the “Board”).**

**1.2 The Committee is authorised to investigate and undertake any activity within these terms of reference. It is authorised to seek any information it properly requires in order to perform its duties from any employee of the Company or any subsidiary undertaking of the Company (“Group”). All employees are directed to co-operate with any such request made by the Committee.**

**1.3 Each member of the Committee shall disclose to the Committee:**

**1.3.1 any personal, financial or other interest in any matter to be decided by the Committee; or**

**1.3.2 any potential conflict of interest arising from a cross-directorship or otherwise; and any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Committee.**

**2. COMPOSITION AND MEETINGS**

**2.1 The Committee shall be appointed by the Board from amongst the non-executive Directors in consultation with the chairman of the Committee (the “Chairman”) and shall comprise at least two members. For so long as the Company has only one non-executive Director, he shall serve as Chairman and an executive Director shall also serve on the Committee.**

**2.2 A member of the Committee can be removed by the Board at any time subject to the requirement that the number of members does not fall below two at any time.**

**2.3 Only members of the Committee have the right to attend Committee meetings. However, subject to 2.6 below, other individuals, such as Board members, the head of human resources and external advisers may be invited to attend for all or a part of any meeting as and when the Committee shall decide is appropriate.**

**2.4 Members of the Committee shall be appointed for a period of up to three years.**

**2.5 The Committee shall meet not less than twice a year and at such other times as the Chairman shall require. Any member of the Committee or the secretary of the Committee (the “Committee Secretary”) may at any time convene a meeting of the Committee. The quorum for any meeting of the Committee shall be two. Meetings may be held by telephone.**

**2.6** No member of the Board shall participate at a meeting of the Committee (or during the relevant part) at which any part of his remuneration is being discussed or participate in any recommendation or decision concerning his remuneration.

**2.7** Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence.

**2.8** The Chairman shall be appointed by the Board. In the case of an equality of votes, the Chairman shall have a second or casting vote.

**2.9** The company secretary ("Company Secretary") or his or her nominee shall be the Committee Secretary. In the absence of the Chairman or any appointed deputy, the remaining members present shall elect one of their number to chair the meeting.

### **3. DUTIES**

The Committee shall:

**3.1** determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chief Executive, Chairman, the executive Directors, the Company Secretary and, if required by the Board, senior management of the Group. The remuneration of non-executive directors shall be a matter for the Chairman and the executive members of the Board and not for the Committee to determine. No Director or manager shall be involved in any decisions as to his or her own remuneration;

**3.2** in determining the framework or broad policy take into account such factors which it deems necessary. The objectives of such policy shall be to ensure that members of the executive management of the Group are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group. It shall ensure that the remuneration of newly appointed executives is within the Company's overall policy.

**3.3** review the ongoing appropriateness and relevance of the executive remuneration policy;

**3.4** determine the policy for, and scope of pension arrangements for each executive director and other senior executives;

**3.5** ensure that contractual terms on termination or variation of employment and any payments made, are fair to the individual and the employing company and that failure is not rewarded and that the duty to mitigate loss is fully recognised;

**3.6** within the terms of the agreed policy, determine the total individual remuneration package of the Company's Chief Executive, Chairman, the Company Secretary, each executive Director and other senior executives including bonuses, pension rights, incentive payments and share options or other share awards;

**3.7** review and note annually the remuneration trends across the Group;

**3.8** consider and determine the other provisions of the service agreements of Directors and (if required) senior managers (in particular, the term of their

agreement, the length of any notice period, termination payments and compensation commitments);

3.9 approve the design of, determine targets for, and monitor, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;

3.10 review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors and other senior executives and the performance targets to be used;

3.11 agree the policy for authorizing claims for expenses from the chairman of the Board (the "Chairman of the Board") and Chief Executive;

3.12 oversee any major changes in employee benefit structures, throughout the Group;

3.13 make available and annually review and, where necessary, update the Committee's terms of reference;

3.14 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee and to obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations; and

3.15 consider such other matters concerning the remuneration of or terms of employment applicable to the executive Directors (and such senior executives) as may be requested by the Board or the Chairman of the Board (including the nature and extent of disclosure of remuneration (including pensions) in addition to that required by law or regulation, including the Directors' Remuneration Report Regulations 2002, and the AIM Rules for Companies, as published from time-to-time by AIM, a market of the London Stock Exchange plc) and to have regard in the performance of duties set out in this paragraph to any appropriate published guidelines or recommendations regarding the operation of share option schemes.

#### **4. PERFORMANCE REVIEW**

The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

#### **5. ANNUAL GENERAL MEETING**

The Chairman shall attend each annual general meeting of the Company and be available to answer shareholders' questions.

#### **6. NOTICE OF MEETINGS**

The Committee Secretary shall circulate a notice of any meeting of the Committee, confirming the venue, time and date of the meeting and enclosing the agenda of business to be covered at the meeting not less than five working days before each

meeting of the Committee, to all members of the Committee and all non-executive Directors. Supporting papers shall be sent to members of the Committee and to other attendees as appropriate at the same time.

**7. MINUTES**

**7.1** The Committee Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

**7.2** The Committee Secretary shall circulate the minutes of Committee meetings to all members of the Committee and, once agreed, if requested to do so by the Committee, shall make them available to all members of the Board unless a conflict of interest exists.

Adopted at a meeting of the Board held on September 5, 2007.