

CHARTER OF THE COMPENSATION COMMITTEE OF THE
BOARD OF DIRECTORS OF CHINA NORTH EAST PETROLEUM HOLDINGS, LIMITED
ADOPTED AS OF AUGUST 5, 2008

.中国东北石油公司董事会薪酬委员会章程
2008年8月5日采纳

The Compensation Committee's responsibilities and powers as delegated by the board of directors are set forth in this Charter. Whenever the Committee takes an action, it shall exercise its independent judgment on an informed basis that the action is in the best interests of the Company and its stockholders.

本章程对董事会授予薪酬委员会的职责和权力加以规定。委员会所采取的行动应是在更好地维护公司和其股东的利益的基础上，行使其独立决策权。

I. PURPOSE AND AUTHORITY OF THE COMMITTEE 委员会的目的和职权

The Compensation Committee (the "Committee") of the Board of Directors (the "Board") of China North East Petroleum Holdings, Limited (the "Company") shall evaluate and recommend to the Board, as appropriate, the compensation philosophy and practices of the Company with respect to its Executive Officers (as such term is defined in the rules and regulations of the Securities and Exchange Commission ("SEC") to be the Company's President, any vice president in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy making function or any other person who performs similar policy making functions for the Company) and administer the Company's stock option plans, and it shall perform any other responsibilities vested in it pursuant to this charter.

中国东北石油控股有限公司（以下简称“公司”）董事会下属的薪酬委员会（以下简称“委员会”）应就公司对高级管理人员的薪酬理念和做法进行评估并向董事会提出建议。高级管理人员在证券交易委员会（以下简称“SEC”）的规则制度里被定义为公司的总裁，以及所有负责主要商业单位、部门或者处室（例如销售、管理或者财务）的副总裁，及其他为公司行使决策职能的官员，或行使与决策职能相似的其他官员。委员会还应管理公司的股票期权计划。另外，委员会还应行使本章程赋予委员会的其它责任。

II. COMPOSITION OF THE COMMITTEE 委员会的构成

The Committee shall be comprised of three or more members of the Board. The members of the Committee shall satisfy all applicable requirements then in effect of the NASDAQ Stock Market LLC ("NASDAQ"), or any stock exchange or national securities association on which the Company's securities are listed or quoted and any other applicable regulatory requirements, including without limitation requirements relating to director independence, nomination and size of the Committee. In addition, at least two of the Committee members shall qualify as (1) "non-employee directors" within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934 (the "Exchange Act") and (2) "outside directors" under the regulations promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"). Collectively, the requirements set forth in the immediately preceding two sentences are referred to as the "Independence Requirements."

委员会应由三名或以上的董事会成员组成。委员会成员应满足美国纳斯达克股票市场或者有该公司证券交易或询价的股票交易市场或全国证券协会规定的、应适用的所有条件；以及任何其它适用的规则要求，包括关于董事独立、董事任命和委员会规模的无限要求。另外，至少有两名委员会成员应该满足：（1）《1934年证券交易法》（交易法）第16b-3条规定的“非雇员董事”的资格要求；（2）经修订的《1986年国内收入法》第162(m)条规定的“外部董事”的资格要求。前述两句话中所提到的要求可并称为“独立性要求”。

The members of the Committee shall be appointed annually to one-year terms by majority vote of the Board, upon recommendation of the Nominating Committee, at the first meeting of the Board following the annual meeting of the Company's stockholders and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation, retirement, removal from office or death. The members of the Committee may be removed, with or without cause, by a majority vote of the Board. Vacancies on the Committee shall be filled by majority vote of the Board at the next Board meeting following the occurrence of the vacancy or as soon as practicable thereafter.

委员会的成员任期一年，经提名委员会推荐，由董事会的多数票通过。在公司年度股东大会之后的第一次董事会上由提名委员会提名。他们将一直任职到选举出其继任者或该成员提前辞职、退休、被免职或死亡。无论是否有理由，董事会多数票通过，即可免去委员会成员的职务。空缺的席位将在下一次的董事会会议上选出或此后尽快选出。

Unless a Chair is elected by the full Board, the members of the Committee shall designate a Chair by majority vote of the full Committee membership. The Chair will chair all meetings of the Committee and set the agendas for Committee meetings. The Chair shall establish an annual calendar with a proposed agenda of the compensation-related matters to be addressed at each of the Committee's scheduled meetings during the year. Committee members are expected to make suggestions for agenda items. A vacancy in the position of Committee Chair shall be filled by majority vote of the Committee at the next Committee meeting following the occurrence of the vacancy or as soon as practicable thereafter.

除非全体董事会选举出一个主席，全体委员会的成员们将通过选举的得票数来任命一位主席。主席主持所有的会议并制订会议计划。主席制订年度计划包括该年中每一次会议议程中需要讨论的与薪酬相关的事宜。委员会成员可以对计划提出建议。主席的空缺将在下一次的董事会上以多数票选出或此后尽快选出。

III. MEETINGS AND PROCEDURES OF THE COMMITTEE 委员会的会议与会议程序

The Committee shall meet as often as its members deem necessary to fulfill the Committee's responsibilities. A majority of the Committee members shall constitute a quorum for the transaction of the Committee's business. The Committee shall act upon the vote of a majority of its members at a duly called meeting at which a quorum is present. Any action of the Committee may be taken by a written instrument signed by all of the members of the Committee. The Committee shall have the authority to establish other rules and procedures for notice and conduct of its meetings consistent with the Company's bylaws and this Charter. A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

委员会应该视其履行委员会职责的需要而召开会议。委员会的多数成员须达到法定人数，才能处理委员会事务。委员会的行动应在合法召开、符合法定人数参加的会议上由多数票通过。委员会的任何行动亦可以书面形式，由委员会所有成员签字通过。委员会应有权订立其他符合公司章程和本章程的规则和程序，用以指导会议的召集和会议行为。委员会的会议应由多数的委员出席，或者可以通过电话会议的形式或者借助其他通讯设备使与会人员能够互相听到对方声音的方式参加的委员亦计入法定人数。

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority within the scope of the Committee's authority as the Committee deems appropriate; *provided, however*, that no subcommittee shall consist of fewer than two members; and *provided further* that the Committee shall not delegate to a subcommittee any power or authority required by any applicable law, regulation or listing standard to be exercised by the Committee as a whole.

委员会可以在其认为有必要的情况下建立一定目的分支委员会。在委员会认可的范围内赋予其一定的权利。然而，任何分支委员会都必须包含两个以上的成员。并且委员会不会赋予任何分支委员会只有委员会作为整体才能行使的法律、法规、执行标准中规定的权利和权威。

All non-management directors that are not members of the Committee may attend meetings of the Committee but may not vote. Additionally, the Committee may invite to its meetings any director, member of management of the Company and such other persons as it deems appropriate in order to carry out its responsibilities. However, when necessary, the Committee may meet in executive session without such other persons present, and in all cases such officers shall not be present at meetings at which their performance and compensation are being discussed and determined.

所有非管理董事亦非委员会的成员可以参加会议但无投票权。此外，委员会可以在认为有必要的情况下邀请任何董事，公司管理人员和此类的其他人来参加会议以此来履行职责。然而，在必要的情况下委员会可以召开无上述人员参加的秘密会议。并且在任何情况下，管理人员不能出席在正讨论和决定他们业绩和薪酬的会议上。

Following each of its meetings, the Committee shall report its deliberations at the next meeting of the Board, including a description of all actions taken by the Committee at the meeting and an identification of any matters that require action by the Board. The Committee shall keep written minutes of its meetings which shall be maintained with the books and records of the Company.

在每次委员会的会议结束后，委员会都要把商议内容在下一次董事会上做汇报，其中包括委员会在会议上采取的所有行动的描述，以及委员会认为需要董事会采取行动的事项。委员会应该保留书面形式的会议记录，这些会议纪要应该与公司的登记簿和档案保存在一起。

IV. COMMITTEE AUTHORITY AND RESPONSIBILITIES 委员会的权利和职责

The following functions shall be the recurring activities of the Committee in carrying out its responsibilities outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional or substitute functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

在委员会履行本章程第一节概括规定的义务时，下列职责将是委员会的重复性行为。这些职责应该作为一个指导方针，并带有一个谅解：委员会可以行使额外的或者可替代的职责；以及根据商业的变化，立法上的、规则上的、法律上或者其他情况的变化，采取认为恰当的其他政策和程序。关于本章程中第一部分概述的委员会目的方面，委员会也将时常履行董事会委任给它的其他义务和职责。

The Committee shall have the following specific powers and duties:

委员会应该具有下列具体的权力和职责：

1. To review and approve the Company's overall compensation philosophy and policies for executive officers of the Company and its subsidiaries generally; to review and approve the compensation, including salary, bonuses and benefits of the executive officers of the Company other than the President; and to review and recommend the compensation of the President (including salary, bonuses and benefits) for approval by all of the directors serving on the Board who satisfy the Independence Requirements;
审阅与批准公司关于公司、通常包括其子公司的执行官的整体薪酬理念和制度；审阅与批准的公司行政官，但不包括总裁的薪酬，包括工资、奖金和福利；审阅和建议总裁的薪酬（包括工资、奖金和福利），以待董事会中所有符合独立性要求的董事通过；
2. To review and approve the corporate goals and objectives relevant to the compensation of executive officers of the Company and its subsidiaries, including the President, with the primary overall objectives of the Company's executive compensation program focused on attracting, retaining and motivating the Company's management, providing a strong link between executive compensation and performance and such other objectives

as may from time to time be determined by the Committee to be in the best interests of the Company. The Committee shall oversee and evaluate the performance of the executive officers in light of such goals and objectives, request and obtain detailed information about executive compensation packages and, based on such review and evaluation, determine and approve the annual salary, bonus, equity grants, performance-related pay, perquisites, retirement benefits, deferred compensation, tax gross-ups, supplemental executive retirement plans, severance payments, change-in-control agreements and all other compensation and benefits of the executive officers;

审阅和批准与公司和其子公司执行官，包括首席执行官薪酬相关的公司目标、对象，公司执行官薪酬激励计划的主要目的在于吸引、保持和促进公司的管理，在执行官的薪酬和业绩之间构成一个强大的纽带，针对其他的目的委员会可以为公司的最佳利益时常地做出决定。依据这些目的目标，委员会将监督和评估执行官的业绩，要求和获得关于执行官薪酬的具体信息，依据这样的审查和评估，委员会决定或批准高级管理人员的年度工资、奖金、股权授予、与业绩挂钩的报酬、临时津贴、退休福利、递延薪酬、税前收入、追加的退休计划、买断费、改制协议费，以及他们的所有其他薪酬和福利；

3. To request that management obtain information in order for the Committee to assess executive compensation, including compensation surveys and studies of the compensation practices of comparable companies;
为了使委员会评估执行官的薪酬，要求管理层获取信息，包括薪酬的调查和类似公司的薪酬实际做法的研究。
4. To oversee, review, monitor and make recommendations to the Board with respect to compensation plans, equity-based plans and plans pertaining to incentive compensation, pensions, benefits and retirement savings and to exercise all the authority of the Board with respect to the administration and interpretation of such plans;
检查、审阅、监督薪酬计划、股权计划和属于激励型薪酬、退休金、福利和退休储蓄并且向董事会提出建议；以及行使董事会的职权，负责对上述计划的管理和解释。
5. To review and approve all awards of shares or share options pursuant to the Company's plans; 根据公司的计划，审阅和批准所有股票奖励或者是股票期权的授予；
6. To review and approve any employment contract or related agreement, such as a severance arrangement or a supplementary pension, for any executive officer;
审阅与批准所有执行官的所有雇佣合同及相关协议，例如买断协议或者追加养老金协议；审阅与批准所有执行官的所有雇佣合同及相关协议，例如买断协议或者追加养老金协议；
7. To review director compensation, if any, and recommend from time to time to the Board any proposed changes in such compensation;
审阅董事的薪酬（如有），并不定期向董事会提议该薪酬的变更；
8. To review periodically the need for a Company policy regarding compensation paid to the Company's executive officers in excess of limits deductible under Section 162(m) of the Code;
定期审阅公司制度的必要性，该制度涉及到依照《1986年国内收入法》第162(m)条规定已付给公司执行官超出了可扣除的限额的薪酬；
9. To review executive officer and director indemnification and insurance matters;
审阅执行官和董事的赔偿金和保险事宜；
10. To serve as a counseling committee to the President of the Company regarding matters of key personnel selection, compensation matters and such other matters as the Board may from time to time direct;
在重要人士任选事宜、薪酬事宜以及那些时常受董事会指示的其他事宜方面，充当首席执行官的咨询委员会；

11. To review the procedures and policies of the Company designed to ensure compliance with applicable laws and regulations relating to compensation of executive officers and to monitor the results of these compliance efforts;
审阅公司制定的关于执行官薪酬的程序和制度，确保它们与适用的法律法规不冲突；同时监督合规性的结果；
12. To maintain minutes or other records of meetings and activities of the Committee and to report to the Board following meetings of or actions taken by the Committee;
保存会议纪要或其他会议记录以及委员会的活动记录；同时在之后的董事会上汇报委员会的一些行动措施；
13. To have prepared and to review and discuss with management the Company's compensation discussion and analysis disclosure required by the SEC and, based on this review and discussion, recommend to the Board the inclusion of such disclosure in the Company's proxy statement or annual report, in accordance with applicable rules and regulations promulgated by the SEC, NASDAQ and other regulatory bodies;
依照SEC、纳斯达克和其他管理机构颁布的适用规则和法规，委员会获取准备好的SEC要求的关于公司薪酬讨论与分析的披露信息，审阅并与管理层商议此类信息。在审阅和讨论的基础上，向董事会提议把此披露信息纳入公司的股东投票委托书或年报中；
14. To conduct or authorize investigations into any matters within the Committee's purpose and powers; 主持或授权对任何在委员会的目的和权力范围内的事项进行调查；
15. To review and reassess the powers of the Committee and the adequacy of this Charter periodically and recommend any proposed changes to the Board for approval;
审查和再评估委员会的权力，同时定期审阅和再评估本章程的准确性，并向董事会提出变更意见，以期获得董事会的批准；
16. To conduct an annual performance review and evaluation of the Committee; and
指导委员会的年度工作审查和评估工作；并
17. To consider such other matters in relation to the compensation policies of the Company as the Committee or the Board may, in its discretion, determine to be advisable.
考虑与公司薪酬制度相关的其他事宜，指委员会或董事会在裁量权范围内认为是明智之举的事宜。

V. DELEGATION OF DUTIES 职权的任命

In fulfilling its responsibilities, the Committee is entitled to form and delegate any or all of its responsibilities to a subcommittee consisting of one or more members of the Committee, when appropriate and permitted by applicable legal and regulatory requirements; provided, however, that the Committee shall not delegate its responsibilities for any matters that involve executive compensation or any matters where it has determined such compensation is intended to comply with Section 162(m) of the Code or is intended to be exempt from Section 16(b) under the Exchange Act pursuant to Rule 16b-3, unless the members of such subcommittee qualify as "outside directors" under Section 162(m) and "non-employee directors" under Rule 16b-3. Where so permitted, a subcommittee of the Committee may exercise the powers and authority of the Committee and the Board while acting within the scope of the powers and responsibilities delegated to it.

在适用的法律法规允许的情况下，委员会在履行其职责的同时，也可以将其职责任命给分支委员会（一般由一个或更多委员会成员组成分支委员会）；然而，假设有这些情况，如果存在涉及高级管理人员薪酬的任何事项；或者存在任何其他事项，即如果委员会已经认定该项薪酬是有意遵循《1986年国内收入法》162部m条的规定，或是根据《证券交易法》规则第16b-3的规定有意将其排除在第16(b)条规定之外，那么委员会不能将其职责授权给分支委员会，除非这些

分支委员会成员是符合162部m条中的“外部董事”或者是16b-3规则中的“非雇员董事”。一经获准，委员会的分支委员会可以在委员会和董事会委任的权力和责任范围内执行其的职责和权力。

If any Committee member does not qualify as a “non-employee director” for purposes of Rule 16b-3 under the 1934 Act and as an “outside director” under Section 162(m) of the Code, the Committee shall establish a subcommittee (the “Section 162(m) Subcommittee”) whose members shall qualify as “non-employee directors” for purposes of Rule 16b-3 under the 1934 Act and “outside directors” under Section 162(m) of the Code, and whose duties shall include (1) the approval of grants of stock options to the Company’s executive officers, including the President, in accordance with Rule 16b-3 under the 1934 Act, (2) the adoption of performance goals with respect to performance based compensation for executive officers, including the President in accordance with Section 162(m) of the Code, (3) the determination of whether performance goals have been met before performance-based compensation is paid to executive officers in accordance with Section 162(m) of the Code, (4) the administration of the Company’s 2007 Performance Incentive Equity Plan and (5) any other action required to be performed by a committee or subcommittee of “non-employee directors” (pursuant to Rule 16b-3) and “outside directors” (pursuant to Section 162(m)).

依据《1934年交易法》的16b-3规则之目的，如果委员会中任何一员都不符合“非雇员董事”的规定以及

《交易法》中162部m条中“外部董事”的规定，那么委员会将建立一个分支委员会，这里的成员将符合《1934年交易法》的16b-

3规则之目的中“非雇员董事”的规定以及《交易法》中162部m条中“外部董事”的规定，他们的职责包括：1) 遵守《1934年法案》16b-

3规则之规定，批准向公司高级管理人员，包括总裁授予股票期权。2) 遵守《交易法》中162部m条的规定，针对高级管理人员，也包括首席执行官与业绩挂钩的薪酬，采用一些业绩目标。3) 根据《交易法》中162部m条的规定，在向高级管理人员支付与业绩挂钩的薪酬前，决定他们是否是达到了业绩目标。4) 管理公司2007年业绩激励股权计划，以及，5) 其他由具有“非雇员董事”（依据16b-3规则）的或者“外部董事”（依据162部m条的规定）委员会或分支委员会执行的行动。

VI. EVALUATION OF THE CHARTER 本章程的评价

The Committee shall periodically, and at least annually, evaluate this charter. The Committee shall report to the Board the results of its evaluation, including any recommended amendments to this charter and any recommended changes to the Company’s or the Board’s policies or procedures.

委员会将定期至少每年一次评估本章程。委员会将评估的结果向董事会汇报，包括任何对章程的修改意见和对董事会修改制度或程序的建议。

VII. COMMITTEE RESOURCES 委员会资源

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate. The Committee shall have the authority to retain special legal, accounting or other advisers to advise the Committee, including without limitation the sole authority to retain and terminate any compensation consulting firm used to assist in the evaluation of Director, President, or senior executive compensation and the sole authority to approve such firm’s fees and other retention terms. The Company shall provide for appropriate funding for such counsel or experts retained by the Committee.

委员会为履行其监督职责，将有权了解或调查任何委员会认为恰当的感兴趣和关心的事件。委员会有权聘请特别的法律、会计或者其他顾问向委员会提建议，包括有无限独立裁量权决定聘请和终止所有协助评估董事、总裁或高级执行官薪酬的薪酬顾问公司，独立裁量权决定此类顾问公司支付的费用及其他条件。公司将为委员会聘请此类顾问或专家提供合适的资金。

VIII. UNDERSTANDING AS TO THE COMMITTEE'S ROLE 对委员会工作的理解

Management of the Company is responsible for the day-to-day operation of the Company's business. As a result, the Company's officers and employees and other persons who may be engaged by the Committee may have more time, knowledge and detailed information about the Company than do the Committee members. The Committee will review information, opinions, reports or statements presented to the Committee by the Company's officers or employees or other persons as to matters the Committee members reasonably believe are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company. While the Committee has the responsibilities and powers set forth in this Charter, each member of the Committee, in the performance of his or her duties, will be entitled to rely in good faith upon reports presented to the Committee by these experts. Accordingly, the Committee's role does not provide any special assurances with regard to matters that are outside the Committee's area of expertise or that are the traditional responsibility of management.

公司的管理层负责公司的日常运作。结果公司的管理人员，雇员和其他可能被委员会雇佣的人员会比委员会成员有更充裕的时间，更了解企业的企业文化和详细的信息。对于委员会成员合理地认为在某些领域更具专业性或专业能力的其他人员，或公司合理地选出的代表，委员会将审阅这些管理人员、雇员和其他人提供的信息、意见、报告、声明。委员会拥有本章程中规定的责任和权利，委员会的每个成员在履行职责时，将依赖这些专家向委员会所做出的报告。因此，对于委员会专业领域以外的事项或属于管理层常规义务的事项提供任何特别保证。