



中国科技产业集团有限公司
CHINA TECHNOLOGY INDUSTRY GROUP LIMITED
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8111)

**Terms of reference of
the Remuneration Committee of the Board of Directors**

China Technology Industry Group Limited

Terms of reference of the Remuneration Committee (“RC”) of the Board of Directors (“Board”) of the Company

1. Membership

- 1.1 The RC shall comprise not less than three members to be appointed by the Board, the majority of whom should be independent non-executive directors.
- 1.2 The Board shall appoint the chairman of the RC who should be one of the independent non-executive directors sitting on the RC.
- 1.3 Only members of the RC have the right to attend the RC meetings. However, any director, executive or other person may be invited to attend the meetings when the RC considers that their attendance can assist it to discharge its duties.
- 1.4 A RC member may not appoint any alternate.

2. Frequency and proceedings of meetings

- 2.1 The RC shall meet at least once a year and at such other times as the chairman of the RC shall require.
- 2.2 The quorum for meetings of the RC shall be of such number that the independent non-executive directors shall form the majority in the meeting. A duly convened meeting of the RC at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in the RC.
- 2.3 RC members may pass resolutions by way of written resolutions, but such must be passed by all RC members in writing.

3. Secretary

- 3.1 The company secretary of the Company or his nominee shall act as the secretary of the RC.

4. Notice of Meetings

- 4.1 Meetings of the RC shall be convened by the chairman of the RC. In the absence of the chairman of the RC, the remaining members present shall elect one of them to chair the meeting. For the avoidance of doubt, the chairman of the Board shall not chair the meeting of the RC when it is dealing with the succession of chairmanship.
- 4.2 Unless otherwise agreed, notice of each meeting setting out the venue, time and date together with the agenda of items to be discussed, shall be forwarded to each of the members of the RC and any other person required to attend at least seven working days before the meeting date. Supporting papers shall be sent at least three working days before the meeting.
- 4.3 Notice shall be given to each RC member in person orally or in writing or by telephone or by email or by facsimile transmission at the telephone or facsimile or address or email address from time to time notified to the secretary by such RC member or in such other manner as the RC members may from time to time determine.
- 4.4 Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.

5. Minutes of the meetings

- 5.1 Minutes of the RC meetings shall record in sufficient detail the matters considered in the meetings and decisions reached, including any concerns raised and dissenting views expressed. Draft and final versions of minutes of the meetings should be sent to all RC members for their comments and records within fourteen working days after the meeting and unless there is a conflict of interest, to all other members of the Board.
- 5.2 The secretary of the RC shall keep the minutes and resolutions passed at the RC meetings and they should be open for inspection at any reasonable time on reasonable notice by any director save when there is a conflict of interest.

6. Annual General Meeting

- 6.1 The chairman of the RC shall attend the Annual General Meeting of the Company and be prepared to respond to shareholders' questions on the activities of the RC.

7. Duties

- 7.1 The RC shall:

7.1.1 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;

7.1.2 review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

7.1.3 either (i) determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management; or (ii) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management;

Note: This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.

7.1.4 make recommendations to the Board on the remuneration of non-executive directors;

7.1.5 consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company or its subsidiaries;

7.1.6 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;

7.1.7 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

7.1.8 ensure that no director or any of his associates is involved in deciding his own remuneration.

7.2 The RC should consult the chairman and/or chief executive about their remuneration proposals for other executive directors. The RC should have access to independent professional advice if necessary.

8. Reporting Responsibilities

8.1 The RC chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

8.2 The RC shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

8.3 The RC shall provide to the Board all the information set out in paragraph L of Appendix 1 5 to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited to enable the Company to prepare the corporate governance report in its annual report in compliance with such Appendix 1 5.

9. Authority

- 9.1 The RC is authorized to seek any information it reasonably requires from any employee of the Company in order to perform its duties.
- 9.2 The RC may obtain, at the expense of the Company, legal or other professional advice on any matters within its terms of reference.
- 9.3 The RC should be provided with sufficient resources to perform its duties.

10. Other

- 10.1 The RC shall review annually its terms of reference, performance and constitution and recommend any changes it considers necessary to the Board for approval.

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