



芯成科技

- SINO ICT -

SINO ICT HOLDINGS LIMITED

芯成科技控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 365)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

Chapter 1 General Provision

- Rule 1 The terms of reference (the “Terms”) are formulated for the remuneration committee (the “Committee”) of the board of directors (the “Board”) establish by Sino ICT Holdings Limited (the “Company”) in accordance with the Bermuda Companies Act 1981, the Securities and Futures Ordinance, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the appendix 14 of the Listing Rules the bye-laws of the Company (the “Bye-laws”) and other relevant regulation, in order to establish a sound remuneration management system for the director and senior managers and optimise the corporate governance structure of the Company.
- Rule 2 The Committee is a body specifically set up under the Listing Rules by the Board, mainly responsible for setting policy on executive director’s remuneration and all directors’ remuneration packages in a formal and transparent procedure.
- Rule 3 Under the Terms, senior management refers to the chief executive officer, vice presidents, chief financial officer and other senior executives confirmed by the Board.

Chapter 2 Composition

- Rule 4 The Committee shall consist of at least three directors, at least two of which shall be independent non-executive directors.
- Rule 5 Member of the Committee (the “Member(s)”) shall be nominated by the chairman of the Board or one-third or more of all directors, and shall be elected by the Board.
- Rule 6 The Committee shall have a chairman who shall be an independent non-executive director. The chairman of the Committee shall be responsible for leading the work of the Committee. The chairman of the Committee shall be elected from the Members and be reported to the Board for approval.
- Rule 7 If any Member resigns from the position of director of the Company, he/she shall automatically lose his/her position as a Member, and the vacancy shall be filled by the Board pursuant to rule 4 to 6 thereof.
- Rule 8 The secretary of the Committee shall be held by the company secretary of the Company.

Chapter 3 Duties and Authorities

- Rule 9 The main duties of the Committee shall 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;

- 2) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 3) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management (This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment);
- 4) to make recommendations to the board on the remuneration of non-executive directors;
- 5) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- 6) 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 is otherwise fair and not excessive;
- 7) 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;
- 8) to ensure that no director or any of his associates (as defined by the Listing Rules) is involved in deciding his own remuneration; and
- 9) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

Chapter 4 Decision-making Process

- Rule 10 The Board shall ensure that the Committee's access to the information below, and provide necessary assist to ensure the Committee has sufficient resources to perform its obligation:
- 1) information on fulfillment by the Company of its main financial indexes and business objectives;
 - 2) information on the scope of work of the Company's senior management and their main duties;
 - 3) information on the fulfillment of the indicators in relation to the performance appraisal system of directors and senior management.

- Rule 11 The Committee shall report to the Board with respect to its decisions and recommendations on the remuneration of director through consideration of the criteria listed in rule 9. A significant proportion of executive directors' remuneration should link rewards to corporate and individual performance.

Chapter 5 Rules of Procedure

- Rule 12 At least two meetings shall be convened by the Committee per year, a notice shall be given to all Members seven days prior to the date of the meeting. The chairman of the Committee shall preside over the meeting, in case the chairman fails to attend the meeting, he/she may appoint another independent non-executive director in the Committee to preside over the meeting.

- Rule 13 Two thirds of the Members are required to form the quorum of a meeting of the Committee. Each Member shall be entitled to one vote; resolution of a meeting must be adopted by the

affirmative votes of more than half of the Members.

- Rule 14 Resolutions at the meeting of the Committee shall be passed by a show of hands or by poll. In a temporary meeting, votes may also be taken by communication.
- Rule 15 Where necessary, directors, supervisors and senior management of the Company may be invited to the meeting.
- Rule 16 Where necessary, the Committee may appoint intermediary agencies to provide professional advice for its decision-making and expenses incurred shall be borne by the Company.
- Rule 17 The Member concerned shall withdraw whenever the Committee discusses about the relevant member in the meeting.
- Rule 18 The procedure for convening a meeting, the method of voting and the resolutions passed at a meeting of the Committee shall comply with the provision of the relevant laws, regulation, the Bye-laws and the Terms.
- Rule 19 The Committee shall keep minutes of the meeting. Minutes of meeting of the Committee shall record in sufficient details the matter considered at the meeting of the Committee, including any doubts raised or dissenting opinions expressed by the Members. after a meeting is concluded, the secretary of the meeting shall send the draft and final minutes to all the members in succession within a reasonable period upon conclusion of the meeting; wherein, the draft minutes are intended to be provided to the Members for their comments and the final minutes are kept for record.
- Rule 20 Any resolution passed or the results of a poll taken at a meeting of the Committee shall be reported in writing to the Board of the Company.
- Rule 21 All Members present at a meeting shall be obligated to keep confidential all matters discussed at the meeting and shall not disclose such information without authorisation.

Chapter 6 Supplementary Provisions

- Rule 22 The Terms should come into effect since the date of approval by the Board.
- Rule 23 Any matters not specified in the Terms or any rules not in compliance with relevant laws, regulations, regulatory documents released by the The Stock Exchange of Hong Kong Limited, the relevant laws, regulation or regulatory documents shall prevail.
- Rule 24 The Terms and its revision shall take effect upon approval by resolution of the Board.
- Rule 25 The Board reserves the right of interpretation of the Terms.