



# SHENZHEN HIGH-TECH HOLDINGS LIMITED

深圳科技控股有限公司

*(Incorporated in Bermuda with limited liability)*

*(Stock Code: 106)*

## **Terms of Reference for Remuneration Committee**

The Board of Directors (the “Board”) of Shenzhen High-Tech Holdings Limited (the “Company”) resolved at a meeting of the Board on 10th September 2005 to establish a remuneration committee (the “Committee”) and further resolved on 13 December 2011 the revision of this terms of reference.

### **1. Composition**

- 1.1 The members of the Committee shall be appointed by the Board of Directors of the Company and comprise at least three members with a majority of independent non-executive Directors. A quorum for meeting of Committee shall be at least two-thirds of the members.
- 1.2 The Chairman of the Committee shall be an independent non-executive Director and appointed by the Board.

### **2. Secretary**

- 2.1 The Company Secretary shall be the secretary of the Committee.

### **3. Meetings**

- 3.1 Meeting may be convened by any member or by the Secretary of the Committee on the request of a member. Notice may be given in writing or by telephone or by facsimile or electronic transmission or other similar means or in such other manner as the Committee may from time to time determine.
- 3.2 Resolutions of the Committee at any meetings shall be passed by a simple majority of votes of the members present.
- 3.3 Unless otherwise stated therein, all provisions of law and of the Company’s Bye-laws relating to proceedings of the Board shall apply mutatis mutandis to proceedings of the Committee.

3.4 The Secretary of the Committee shall be responsible for preparation of and keeping minutes of the Committee's meetings and the minutes shall be circulated to all members of the Committee.

#### **4. Attendance at meetings**

4.1 At the invitation of the Committee, other members of the Board and any other persons may attend all or part of any meetings of the Committee.

#### **5. Authority**

The Committee shall have the following responsibilities and duties:

5.1 to make recommendation 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;

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

5.3 either:

(i) to 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.

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

5.4 to make recommendations to the Board on the remuneration of non-executive Directors;

5.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

5.6 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;

5.7 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;

- 5.8 to ensure that no Director or any of his associates is involved in deciding his own remuneration; and
- 5.9 to consult the Chairman of the Board and/or the Chief Executive about their proposals relating to the remuneration of the other executive Directors.

**6. Reporting procedures**

Minutes of the Committee shall be circulated to the Chairman of the Board and Chief Executive of the Company after each meeting of the Committee. For any matters that require immediate attention of the Board, the Committee shall report immediately after the meeting.