



華章科技控股有限公司
Huazhang Technology Holding Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8276)

REMUNERATION COMMITTEE

TERMS OF REFERENCE

CONSTITUTION

1. The board of directors (the “**Board**”) of Huazhang Technology Holding Limited (the “**Company**”) has resolved to establish a Committee of the Board to be known as the Remuneration Committee (the “**Committee**”) at a meeting held on 6 May 2013.

MEMBERSHIP AND QUORUM

2. The Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members, a majority of whom should be independent non-executive directors of the Company. A quorum shall be two members. The initial members of the Remuneration Committee are Mr. Dai Tian Zhu, Ms. Chen Jin Mei and Mr. Kong Chi Mo.
3. The chairman of the Committee shall be appointed by the Board.

Ms. Chen Jin Mei shall be the first chairman.

SECRETARY

4. The company secretary of the Company, or in his absence, his representative, shall act as the secretary of the Committee (the “**Secretary**”). The Committee may from time to time appoint any other person with appropriate qualification and experience as Secretary.

FREQUENCY OF MEETINGS

5. Meetings shall be held not less than once a year. The Committee members may also call any meetings at any time when necessary or desirable.

NOTICE OF MEETINGS

6. Notice of meetings shall be given to all members of the Committee at least two days before the meeting.

This notice may be waived from to time upon the unanimously agreement by the Committee members.

CASTING VOTE

7. In the case of an equality of votes, the Chairman of the Committee shall have the casting vote.

CONSULTATION

8. The Committee should consult the chairman and/or chief executive officer of the Company about their proposals relating to the remuneration of other executive directors of the Company, if any, and, at the expenses of the Company, have access to professional advice if considered necessary.

AUTHORITY

9. The Committee is authorised by the Board to investigate any activity within its terms of reference and seek any necessary information which is within its scope of duties from the employees of the Company and its subsidiaries (including the members of the Board).

DUTIES

10. The duties of the Committee shall be:
 - (a) to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
 - (b) to have the delegated responsibility to determine the specific remuneration packages of all executive directors of the Group and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive directors. The Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the group and desirability of performance-based remuneration;
 - (c) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the board from time to time;
 - (d) to review and approve the compensation payable to executive directors and senior management of the Group in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;
 - (e) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;

- (f) to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration and that, as regards the remuneration of a non-executive director who is a member of the Committee, his/her remuneration should be determined by the other members of the Committee; and
- (g) to advise shareholders of the Company with respect to any service contracts of directors that require shareholders' approval under the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

For the purpose of this paragraph 10, “**senior management**” shall refer to the same category of persons as referred to in the Company’s annual report and is required to be disclosed under Appendix 16 of the Listing Rules.

REPORTING PROCEDURES

- 11. The Secretary or his representative shall circulate the minutes of meetings and reports of the Committee to all members of the Board.

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Certified true by:

ZHU Gen Rong

Director of Huazhang Technology Holding Limited