



## **XI'AN HAITIAN ANTENNA TECHNOLOGY CO., LTD.**

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

### **TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

In accordance with Appendix 15 of Code on Corporate Governance Practices of the Rules (the "GEM Listing Rules") Governing the Listing of Securities on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), Xi'an Haitian Antenna Technology Co., Ltd. (the "Company") established Remuneration Committee (the "Committee") on 21 December 2005.

#### **1. Members**

- i. The members (the "Members") of the Committee shall be appointed by the board of directors (the "Board").
- ii. Majority of Members shall be independent non-executive directors (the "Independent Non-executive Directors").
- iii. Chairman of the Committee shall be appointed by the Board and shall be an Independent Non-executive Director.

#### **2. Secretary**

- i. The Company Secretary served as the secretary of the Committee.

#### **3. Meetings**

- i. The Committee shall meet at least once a year.
- ii. The quorum required for a Committee meeting is two, one of which shall be an Independent Non-executive Director.
- iii. The resolutions of the Committee must be passed by a majority of votes at the meeting.

#### **4. Attend Meetings**

- i. At the invitation of the Committee, chairman of the Board and/or managing director or chief executive officer, external consultants and

- other persons may attend all or any meeting.
- ii. Only Members of the Committee have the right to vote at the meeting.
5. Annual General Meeting
- i. Chairman of the Committee or, if absent, another member of the Committee who shall be an Independent Non-executive Director is required to attend the Annual General Meeting of the Company, and respond to questions made by the shareholders in respect of the activities and responsibilities of the Committee.
6. Responsibilities, Powers and Discretion
- i. 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.
  - ii. To have the delegated responsibility to determine the specific remuneration packages of all executive directors 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.
  - iii. To review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.
  - iv. To review and approve the compensation payable to executive directors and senior management 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.

- v. 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.
- vi. To ensure that no director or any of his associates is involved in deciding his own remuneration.
- vii. In determining such remuneration component and arrangements, applicable code of corporate governance practices, as well as the GEM Listing Rules and the relevant guidelines, are duly considered.
- viii. To review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

#### 7. Reporting Responsibilities

- i. The Committee shall report to the Board after each meeting.

#### 8. Authority

- i. The Committee shall consult the chairman of the Board and/or managing director or chief executive officer about their proposals relating to the remuneration of other executive directors.
- ii. The Committee, authorised by the Board, can access to any necessary information in respect of remuneration from Company's senior management in order to fulfil its responsibilities.
- iii. The Committee shall be provided with sufficient resources to discharge its responsibilities.

*(Chinese prevail in case of discrepancies or inconsistencies)*