



DIT GROUP LIMITED
築友智造科技集團有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 726)

**TERMS OF REFERENCE OF
THE REMUNERATION COMMITTEE**

The remuneration committee (the “**Committee**”) of DIT Group Limited (the “**Company**”) was established pursuant to a resolution passed by the board of directors of the Company (the “**Board**”) on 31 March 2006. Set out below are the terms of reference (the “**Terms of Reference**”) of the Committee. The Terms of Reference are available for viewing in English and traditional Chinese. If there is any inconsistency between the English and the traditional Chinese versions of the Terms of Reference, the English version shall prevail over the traditional Chinese version.

1. PURPOSE

1.1 The purpose of the Committee is to make recommendations to the Board in determining the policy and structure for the remuneration of directors and senior management, to establish a formal and transparent procedure for developing remuneration policy, to evaluate the performance of directors and senior management, to review and recommend the terms of incentive schemes and directors’ service contracts, and to recommend the remuneration packages for all directors and senior management.

2. COMPOSITION

- 2.1 The members of the Committee shall be appointed by the Board from time to time and shall consist of a majority of independent non-executive directors of the Company.
- 2.2 The Board shall appoint one member of the Committee as the chairman (the “**Chairman**”), who must be an independent non-executive director of the Company.

3. MEETINGS

- 3.1 Unless otherwise specified hereunder, the provisions contained in the Company's bye-laws (the "**Bye-laws**") (as amended from time to time) for regulating meetings and proceedings of directors shall apply to the meetings and proceedings of the Committee.
- 3.2 Members of the Committee may attend meetings of the Committee either in person or through other electronic means of communication or in such other manner as the members may agree.
- 3.3 The Committee shall meet at least once annually, or more frequently if circumstances require.
- 3.4 Members of the Committee may be represented at a meeting of the Committee by an alternate appointed by him or her.
- 3.5 The Chairman shall be responsible for leading the Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.
- 3.6 A meeting of the Committee may be convened by any of its members.
- 3.7 A quorum shall be two members of the Committee.
- 3.8 Unless otherwise agreed by all the members of the Committee, notice of at least seven days shall be given for a regular meeting of the Committee. For all other meetings of the Committee, reasonable notice shall be given. The Chairman shall determine whether or not a meeting of the Committee is a regular meeting.
- 3.9 The agenda and accompanying supporting papers shall be sent to all members of the Committee and to other attendees as appropriate at least three days before the date of the meeting (or such other period as the members may agree).
- 3.10 Each member shall have one voting right. Subject to the Bye-laws, questions arising at any meeting of the Committee shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have a second or casting vote.
- 3.11 The members of the Committee shall appoint a secretary of the Committee (the "**Secretary**") to take minutes. In the absence of the Secretary, his/her delegate(s) or any person elected by the members present at the meeting of the Committee, shall attend the meeting of the Committee and take minutes. Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by the Chairman or the Secretary of the meeting or the succeeding meeting.

- 3.12 Full minutes of meeting of the Committee shall be kept by the Secretary or the Company Secretary(ies) of the Company. They shall be open for inspection at any reasonable time on reasonable notice by any director.
- 3.13 Minutes of the Committee should record in sufficient detail the matters considered by the Committee and decisions reached, including any concerns raised by the directors, members or dissenting views expressed. Draft and final versions of minutes of meetings of the Committee and the record of individual attendance at such meetings shall be prepared by the Secretary which shall be sent to all members of the Committee within a reasonable time after the conclusion of any meeting of the Committee for their comment and records. For the purposes of recording attendance only, the attendance of an alternate of members of the Committee will not be counted as attendance by the relevant member of the Committee himself or herself. The minutes of meetings of the Committee shall record details of the matters considered and decisions reached, including any concerns raised by directors or dissenting views expressed.
- 3.14 Without prejudice to any requirement under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), a resolution in writing signed by all of the members of the Committee (or their respective alternate) shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

4. ACCESS

- 4.1 The Committee shall have full access to management and may invite members of management or others to attend its meetings.
- 4.2 The Company should provide the Committee with sufficient resources to perform its duties, including but not limited to obtaining independent professional advice and assistance from internal or external legal, accounting or other advisors at the expense of the Company if necessary.

5. REPORTING PROCEDURES

- 5.1 The Committee shall consult the chairman of the Board and/or the chief executive officer of the Company about the remuneration proposals for other executive directors and seek independent professional advice if necessary.
- 5.2 The Committee shall evaluate and assess its effectiveness and the adequacy of these Terms of Reference from time to time and recommend any proposed changes to the Board.

5.3 The Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

6. AUTHORITY

6.1 The authorities and responsibilities of the Committee shall include such responsibilities and authorities set out in the relevant code provisions of the Corporate Governance Code (the “**CG Code**”) as contained in Appendix 14 to the Listing Rules (as amended from time to time).

7. RESPONSIBILITIES AND DUTIES

7.1 Without prejudice to any requirement under the CG Code, the Committee shall perform the following duties:

- (a) to make recommendations to the Board on the Company’s policy and structure for the remuneration of all the directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) to review and approve the management’s remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time;
- (c) either:
 - (i) to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management;
 - (ii) to make recommendations to the Board on the remuneration packages of individual 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;
- (d) to make recommendations to the Board on the remuneration of non-executive directors of the Company;
- (e) to consider the level of remuneration required to attract and retain directors to manage the Company successfully;
- (f) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;

- (g) to ensure that no director or any of his/her associates is involved in deciding his or her own remuneration. For the avoidance of doubt, members of the Committee must not be involved in deciding his or her own remuneration;
- (h) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules;
- (i) 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;
- (j) 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; and
- (k) to advise shareholders of the Company on how to vote in respect of any service contracts of directors that require shareholders' approval in accordance with the Listing Rules, and as to whether the terms are fair and reasonable, and whether such contracts are in the interests of the Company and its shareholders as a whole.

8. ANNUAL GENERAL MEETING

8.1 The Chairman or in his absence, another member of the Committee or failing this, his or her duly appointed delegate, shall attend the annual general meeting (the "AGM") of the Company and be prepared to respond to questions at the AGM on the Committee's work and responsibilities.

9. GENERAL

9.1 These Terms of Reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements, including those under the Listing Rules.

9.2 The Committee should make available these Terms of Reference to the public, explaining its role and the authority delegated to it by the Board, by including them on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company's website (<http://dit.aconnect.com.hk>).