

# BaTelab

**BaTeLab Co., Ltd.**

**蘇州貝克微電子股份有限公司**

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

**(Stock Code: 2149)**

(hereafter the “Company”)

## **Terms of Reference of the Remuneration and Evaluation Committee of the Board**

### **1. Members**

- 1.1 The remuneration and evaluation committee of the Company (the “**Remuneration and Evaluation Committee**”) should be established by the board of directors of the Company (“**Board**”) and it should comprise a minimum of three members and a majority of which should be independent non-executive directors. Members of the Remuneration and Evaluation Committee shall be appointed by the Board.
- 1.2 The Remuneration and Evaluation Committee must be chaired by an independent non-executive director and appointed by the Board.
- 1.3 The terms of appointment to Remuneration and Evaluation Committee members should be determined by the Board at the appointment date and shall not exceed the member’s tenure as a director.

### **2. Secretary**

- 2.1 Any joint company secretary of the Company shall act as the secretary of the Remuneration and Evaluation Committee.
- 2.2 The Remuneration and Evaluation Committee may from time to time, appoint any other person with appropriate qualification and experience to act as the secretary of the Remuneration and Evaluation Committee.

### **3. Meeting**

- 3.1 The Remuneration and Evaluation Committee should meet at least once a year. Any member or the secretary of the Remuneration and Evaluation Committee can call for a meeting.
- 3.2 Notice of at least five business days (excluding Saturdays, Sundays and public holidays in mainland China and Hong Kong) should be given for any meeting, unless such notification is waived by all members of the Remuneration and Evaluation Committee. Notwithstanding the notification period, the attendance of the member of the Remuneration and Evaluation Committee at the meeting would be deemed as the waiver by such members of the required notification requirement. If the follow-up meeting takes place within 14 days after the meeting, then no notification is required for such follow-up meeting.

- 3.3 The quorum necessary for the transaction of business of the Remuneration and Evaluation Committee shall be two members of the Remuneration and Evaluation Committee, at least one of whom must be an independent non-executive director.
- 3.4 Meeting can be attended in person or via electronic means including telephone or videoconferencing. The members of the Remuneration and Evaluation Committee can attend the meeting via telephone or any similar communication device (all persons attending such meeting should be able to hear from such member via such communication device).
- 3.5 Resolutions of the Remuneration and Evaluation Committee shall be passed, in the case of a meeting, by a majority of votes of the members of the Remuneration and Evaluation Committee attending such meeting. The chairman or chairlady of the Remuneration and Evaluation Committee shall have a second or casting vote when an equality of votes occurs.
- 3.6 A resolution passed and signed by all members of the Remuneration and Evaluation Committee is valid, and the validity is the same as any resolution passed in the meeting held.
- 3.7 Full minutes of Remuneration and Evaluation Committee meetings should be kept by a duly appointed secretary of the Remuneration and Evaluation Committee and be available for review by the directors. Draft and final versions of minutes of the meetings should be sent to all members of the Remuneration and Evaluation Committee for their comment and records, within a reasonable time after the meeting.

#### **4. Meeting Attendance**

- 4.1 Upon the invitation from the Remuneration and Evaluation Committee, the chairman or chairlady of the Board and/or the supervisors, the general manager or the chief executive officer, the chief financial officer (or equivalent), other senior staff members responsible for the human resources function, external advisor and/or other persons can be invited to attend all or part of any meeting.
- 4.2 Only the members of the Remuneration and Evaluation Committee can vote in a meeting of the Remuneration and Evaluation Committee.

#### **5. Annual General Meeting**

- 5.1 The chairman or chairlady of the Remuneration and Evaluation Committee or (if absent) the other member of Remuneration and Evaluation Committee (who must be an independent non-executive director) should attend the annual general meetings of the Company, and handle the shareholders' enquiry on the activities and responsibilities related to the Remuneration and Evaluation Committee at such meetings.

#### **6. Duties and Powers**

The Remuneration and Evaluation Committee shall have the following duties and powers:

- 6.1 to make recommendations to the Board on the Company's policy and structure for all directors' and senior management's remuneration and evaluation and on the establishment of a formal and transparent procedure for developing remuneration and evaluation policy;

- 6.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 6.3 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;
- 6.4 to make recommendations to the Board on the remuneration of non-executive directors;
- 6.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company;
- 6.6 to review and approve the 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;
- 6.7 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;
- 6.8 to ensure that no director or any of his associates is involved in deciding his own remuneration;
- 6.9 the Remuneration and Evaluation Committee should make available its terms of reference, 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 and the Company's website; and
- 6.10 the Company should disclose the directors' remuneration policy, details of any remuneration payable to members of senior management by band and other remuneration related matters in its annual reports.

## **7. Reporting**

- 7.1 The Remuneration and Evaluation Committee shall report to the Board after each of its meetings.

## **8. Authority**

- 8.1 The Remuneration and Evaluation Committee should consult the chairman or chairlady of the Board and/or the chief executive officer about their remuneration proposals for other executive directors.
- 8.2 The Remuneration and Evaluation Committee is authorized to request the directors and the senior management of the Company to provide any required resources or information related to the remuneration package to perform its duties.

- 8.3 The Remuneration and Evaluation Committee should have access to independent professional advice at the Company's expense if necessary, to perform the responsibilities of the Remuneration and Evaluation Committee.

*Remark: the independent professional advice can be sought via any joint company secretary.*

- 8.4 The Remuneration and Evaluation Committee should be provided with sufficient resources to perform its duties.