CCIDConsulting

賽迪顧問股份有限公司
CCID CONSULTING COMPANY LIMITED*

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

(Stock code: 02176)

www.ccidconsulting.com

Terms of Reference for the Remuneration Committee of the Board

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to further develop the remuneration management system of CCID Consulting Company Limited (the "**Company**"), to constantly improve the motivation mechanism and other remuneration systems and to perfect the corporate governance structure of the Company, the Remuneration Committee of the Board of Directors (the "**Board**") of the Company is established in accordance with the Company Law of the People's Republic of China (the "**Company Law**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Articles of Association of CCID Consulting Company Limited (the "**Articles of Association**") with the following Terms of Reference.

Article 2 The Remuneration Committee is a specific working body established by the Board. The Committee is primarily responsible for formulating standards for appraising Directors and senior management personnel of the Company, to conduct appraisals and make recommendations, and to formulate and review the policies for and proposals concerning the remuneration of Directors and senior management personnel of the Company.

Article 3 The Directors addressed in the Terms of Reference are Directors who receive remuneration from the Company, while senior management personnel refers to the Chief Executive Officer, Deputy General Manager, Chief Finance Officer and the Secretary of the Board appointed by the Board and other senior management personnel identified by the Board.

Article 4 The Remuneration referred to in the Terms of Reference applies to various types of remuneration, in the forms of basic salaries, appraisal salaries, equity interests and options, obtained by the Directors and senior management personnel from the Company.

CHAPTER 2 COMPOSITION

Article 5 The Remuneration Committee shall consist of at least three directors. The majority of Remuneration Committee members shall be independent non-executive directors of the Company. Members of the Remuneration Committee shall be selected and removed by the affirmative votes of more than half of all directors.

Article 6 The Board shall appoint the chairman of the Remuneration Committee, who shall be an independent non-executive director, to preside over the works of the Committee; the chairman shall be nominated by the Remuneration Committee members from among the members of the Committee and be selected and removed by the affirmative votes of more than half of its members.

Where the chairman is unable to or fails to discharge the duty, an independent non-executive director shall be elected by over one half of the members to act in his stead.

Article 7 The Remuneration Committee shall have a term of office consistent with that of the Board. If a member no longer occupies a position as a director of the Company during the term of office, he shall automatically lose his identity as a member.

A member of the Remuneration Committee may submit his resignation report in writing to the Board prior to the expiry of his term of office. The resignation report shall contain necessary explanation as to such reasons for resignation and matters which need attention of the Board.

Upon the loss of qualification or the permission to resign as the Remuneration Committee member, a vacancy shall be filled in accordance with the provisions of Article 5 to 6. The term of office for the new member shall terminate at the end of his term of office as a director.

Article 8 The Remuneration Committee may appoint a working unit as the daily administrative body to take charge of daily communications and the organisation of meetings under the leadership of the Secretary of the Board of the Company. Members of the working unit do not have to be a member of the Remuneration Committee.

CHAPTER 3 DUTIES AND AUTHORITIES

Article 9 The main duties and authorities of the Remuneration Committee are as follows:

(i) to provide policies and frameworks with regard to remuneration packages for Directors and senior management personnel based on their duties, responsibilities, importance and the pay levels of other related positions; the policies and frameworks concerning the remuneration packages include but are not limited to performance assessment standards, procedures and major assessment system, major plans and systems for awards and sanctions. The plans and proposals with regard to the remuneration packages shall be submitted to the Board for approval and implemented by the Committee;

(ii) to make recommendations to the Board concerning the specific remuneration packages of executive Directors and senior management personnel, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment), based on their duties, responsibilities, importance and the pay levels of other related positions, to make recommendations to the Board concerning the remuneration of non-executive Directors, and to submit them to the Board for approval;

(iii) to review and approve the proposals for remuneration of management personnel based on corporate strategies and objectives established by the Board;

(iv) to be responsible for monitoring the implementation of the Company's remuneration system and to review the performance of duties by executive Directors and senior management personnel of the Company;

(v) to make recommendations to the Board regarding the remuneration of non-executive directors;

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

(vii) to review and approve compensation payable to the 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 reasonable and not excessive;

(viii) to review and approve compensation arrangements relating to dismissal or removal of the Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

(ix) to ensure that no Director or any of his associates is involved in deciding his/her own remuneration;

(x) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules;

(xi) to consider and implement other matters, as defined or assigned by the Board or otherwise required by the Listing Rules from time to time; and

(xii) other duties as stipulated by the Articles of Association and other matters as authorised by the Board.

Article 10 The Remuneration Committee must exercise its duties in compliance with the relevant provisions of the Articles of Association and the Terms of Reference and shall not prejudice the interests of the Company and its shareholders. The Board has the power to veto any plans or proposals for remuneration packages that harm the interests of shareholders. The Remuneration Committee is accountable to the Board, and its proposals shall be submitted to the Board for consideration and decision making.

Article 11 The remuneration packages of directors of the Company proposed by the Remuneration Committee shall be implemented after being put to the Board for approval and submitted to the shareholders' meeting for consideration and decision making.

Article 12 Members shall not obtain additional, undisclosed interests from the Company and its major shareholders or interested bodies and personnel except in the case of remuneration and allowances they have received as the Company's directors or independent directors as determined by the shareholders' general meeting in accordance with relevant laws, regulations and the Articles of Association.

CHAPTER 4 DECISION MAKING PROCEDURES

Article 13 The working unit under the Remuneration Committee is responsible for making preliminary preparations for the decision making process of the Remuneration Committee and providing relevant information of the Company in relation to:

(i) providing information concerning the Company's performance in terms of its major financial indicators and business targets;

(ii) detailing the scope of the work for which the Company's senior management personnel are responsible, and their main duties;

(iii) determining the performance of directors and senior management personnel in terms of the indicators under a work performance appraisal system;

(iv) providing the basis for relevant estimations with regard to remuneration plans and distribution methods as proposed according to the Company's performance.

Article 14 The Remuneration Committee's procedures for appraising directors and senior management personnel are as follows:

(i) the directors and senior management personnel of the Company shall report their work and provide self-appraisals to the Remuneration Committee;

(ii) the Remuneration Committee shall conduct performance appraisals of the directors and senior management personnel according to its performance appraisal standards and procedures;

(iii) the Committee shall propose the amount of remuneration and method of award for directors and senior management personnel based on the results of work performance appraisal and in accordance with the remuneration and distribution policies and, after a vote in favour, report the same to the Board for approval and implementation.

CHAPTER 5 CONVENING AND NOTIFICATION OF MEETINGS

Article 15 The Remuneration Committee shall meet at least one time a year, convened by the chairman of the Committee, and shall keep all its members informed of the agenda five (5) days before the meeting.

An extraordinary meeting may be convened upon the proposal of the chairman of the Committee or more than half of the committee members. The convening of such extraordinary meetings shall not be subject to the aforementioned notice period requirements.

Article 16 The notice of meetings of the Remuneration Committee shall include the following contents:

(i) date and place of the meeting;

(ii) duration of the meeting;

(iii) reasons and issues;

(iv) date of notice.

Article 17 The notice of meeting shall be sent in the forms of faxes, letters, e-mails or other means.

CHAPTER 6 RULES OF PROCEDURE AND VOTING

Article 18 Two thirds of the members are required to form the quorum of a Remuneration Committee meeting. Members may attend the Remuneration Committee meeting in person or delegate other members to attend on their behalf. Members shall attend the meeting with a serious and responsible attitude and shall express a clear opinion on the matters discussed.

Article 19 If a member delegates another member to attend the meeting and exercise voting rights, he shall submit a power of attorney. The power of attorney shall record the name of the agent, matters concerning the agent, the scope of authorisation and the expiry date, and shall be signed or stamped by the appointer and submitted to the president of the meeting no later than the time when voting takes place in the meeting.

Article 20 If a member neither attends the meeting nor delegates another member to attend on his behalf, he shall be deemed to have waived the right to vote in that meeting.

Article 21 The Remuneration Committee meeting shall be presided over by the chairman of the Committee and, where he is unable to attend the meeting, he may appoint another member to preside over the meeting.

Article 22 When the Remuneration Committee votes, each member shall be entitled to one vote. Voting decisions include "For", "Against" and "Abstention". Resolutions of a meeting must be adopted by the affirmative votes of more than half of its members. The respective resolution or opinion shall be signed by members who attend such meeting of the Remuneration Committee. If a vote is taken by means of communication or by a show of hands, members of the Committee shall be deemed to have attended the meeting and agreed to the details of the resolutions by signing on the resolutions of the meeting.

Article 23 Resolutions of the Remuneration Committee meeting shall be passed by a show of hands, by poll or by means of communication; a meeting may also be convened at which votes may be cast by telephone, video, fax, letter and e-mail. Provided that the attending member is in communication with the meeting, he shall be deemed the presence of the meeting.

Article 24 Directors, supervisors and other senior management personnel of the Company may be invited to attend the Remuneration Committee meetings, if necessary. However, non-Remuneration Committee members do not have voting rights.

Article 25 The Committee may, if necessary, engage an intermediary agency to provide professional advice on its decisions and the expenses so incurred shall be borne by the Company.

Article 26 When the Remuneration Committee meeting discusses a topic which raises issues with regard to members' interests, they shall abstain from voting on such topics, and the number of votes they represent shall not be included in the total number of effective votes. In the event that a valid resolution cannot be reached in a meeting due to the abstention of any member of the Remuneration Committee, the relevant matters shall be considered directly by the Board.

Minutes and resolutions of the Remuneration Committee meetings shall clearly state the fact that interested members are not counted in the quorum and that they do not vote.

CHAPTER 7 RESOLUTIONS AND MINUTES OF MEETINGS

Article 27 Minutes of the meetings of the Remuneration Committee shall be drafted and shall be signed by the members who attended the meetings and the person who drafted the minutes. Members who attend the meetings have the right to request a descriptive record of their speeches at the meetings in the minutes.

Article 28 Minutes of the meetings of the Remuneration Committee shall include the following contents:

(i) date, place and convener of the meeting;

(ii) names of members present at the meeting, those attendees who are proxies should be specified;

(iii) agenda;

(iv) main points of speeches of attending members;

(v) pool method and results for each resolution (the results of a pool shall clearly state the votes of affirmatives, negatives and abstentions).

Article 29 Archives of a meeting held by the Remuneration Committee, including meeting notices, meeting materials, letter of authorisation of members on behalf of attendants, votes, and minutes and resolutions of a meeting confirmed by the signature of attending members, shall be kept by the Secretary of the Board.

Article 30 Any resolution passed or the results of a poll taken at a meeting of the Remuneration Committee shall be reported in writing to the Board by the chairman of the Remuneration Committee or the Secretary of the Board within two days of a resolution having been passed.

Article 31 All members present at a meeting shall be obliged to keep confidential all matters discussed at the meeting and shall not disclose such information without authorisation.

CHAPTER 8 SUPPLEMENTARY PROVISIONS

Article 32 The Terms of Reference shall take effect from the date of approval by the Board of the Company.

Article 33 Any matters not covered by the Terms of Reference shall be implemented in accordance with relevant laws and regulations of the Company Law, the Listing Rules and the Company's Articles of Association. Where there is a conflict between the Terms of Reference and future laws and regulations to be promulgated by the State or the Company's Articles of Association as amended in accordance with legitimate procedures, the Terms of Reference shall be implemented in accordance with relevant laws and regulations of the State and the Company's Articles of Association and corresponding amendments to the Terms of Reference must be submitted to the Board for consideration and approval in a timely manner.

Article 34 The Terms of Reference shall be construed by the Board of the Company.