# Amicro Technology Co., Ltd.

# Rules of Procedure of the Remuneration Committee

## Chapter I General Provisions

**Article 1** The board of directors (hereinafter referred to as the "Board") of Amicro Technology Co., Ltd. (hereinafter referred to as the "Company") establishes the remuneration committee and formulates these Rules in accordance with the provisions of relevant laws, regulations, and normative documents including the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), as well as the Articles of Association of Amicro Technology Co., Ltd. (hereinafter referred to as the "Articles of Association"), in order to standardize the appraisal and remuneration management system for the positions of directors and senior management of Amicro Technology Co., Ltd., and improve the corporate governance structure of the Company.

**Article 2** The remuneration committee serves as a specialized working body under the Board, primarily responsible for formulating the appraisal standards, remuneration policies and implementation plans for directors, senior management, and core employees, conducting appraisals and putting forward proposals, and reporting to and being accountable to the Board.

**Article 3** The scope of remuneration and appraisal referred to in these Rules covers the following persons who receive remuneration from the Company, including the chairman of the Board, directors, the general manager appointed by the Board, deputy general managers, the Board secretary, financial officer, and other senior management members identified by the Board upon nomination by the general manager (if any).

**Article 4** The Board secretary of the Company shall be responsible for the daily liaison and meeting organization of the remuneration committee, as well as coordinating and arranging for the Company's human resources management department to handle the daily administrative affairs of the remuneration committee and complete all preparatory work prior to the remuneration committee's decisions.

## Chapter II Composition

**Article 5** The remuneration committee shall consist of three or more members of the Board appointed by the Board, of whom independent non-executive directors shall constitute a majority and serve as the chairman (convener).

The members of the remuneration committee shall be nominated by the chairman of the Board, at least one-half of the independent non-executive directors or at least one-third of all directors, and shall be elected by the Board.

**Article 6** The remuneration committee shall have one chairman (convener), who shall be an independent non-executive director and responsible for presiding over the work of the committee. The chairman (convener) shall be elected from among its members and shall take office upon approval by the Board.

Where the chairman of the committee is unable to perform his/her duties, another member designated by him/her shall act on his/her behalf; where the chairman of the remuneration committee is unable to perform his/her duties and fails to designate another member to act on his/her behalf, a member jointly elected by more than half of the members shall perform duties on his/her behalf, and if no consensus on the election can be reached, any member may report the relevant situation to the Board of the Company in a timely manner, and the Board shall designate a member to perform the duties of the chairman of the remuneration committee on his/her behalf.

**Article 7** The term of office of the members of the remuneration committee shall be the same as that of the directors of the Board. Upon the expiry of the term, members may be re-elected and serve consecutive terms. If, during the term, any member ceases to hold the position of director of the Company, he or she shall automatically cease to be a member, and the Board shall fill the vacancy in accordance with the relevant provisions of these Rules.

**Article 8** A member of the remuneration committee may resign before the expiry of his/her term of office by submitting a written resignation report to the Board. Such resignation shall take effect upon the approval by the Board. Before the newly elected member assumes office, the original member shall continue to perform his or her duties as a member in accordance with the provisions of relevant laws and regulations, the Hong Kong Listing Rules, the Articles of Association and these Rules.

**Article 9** The provisions of the Company Law, the Hong Kong Listing Rules and the Articles of Association concerning directors' duties shall apply to members of the remuneration committee.

## Chapter III Duties and Powers

**Article 10** The principal duties and powers of the remuneration committee are as follows:

(I) to study, review and formulate remuneration policies, structures, plans or proposals based on the main scope, duties and importance of the management positions of directors and senior management, as well as the remuneration levels of relevant positions in other relevant enterprises, wherein such remuneration policies, structures, plans or proposals mainly include, but are not limited to, performance evaluation standards, procedures and key evaluation systems, as well as major schemes and systems for rewards and penalties, and to make recommendations to the Board on the establishment of a formal and transparent procedure for formulating remuneration policies;

(II) to review and approve the management's remuneration proposals with reference to the corporate policies and objectives set by the Board;

(III) to determine, with delegated authority by the Board, the remuneration packages of individual executive directors and senior management; or 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));

(IV) to make recommendations to the Board on the remuneration of non-executive directors;

(V) to consider salaries paid by comparable companies, time commitment and responsibilities, as well as conditions for employment of other positions in the Group;

(VI) to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that such compensation is consistent with the terms of the service agreements; if it is not consistent with the terms of the service agreements, the compensation shall also be fair and reasonable;

(VII) 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 that, where they are not consistent with contractual terms, such compensation shall be fair and adequate;

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

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

(X) to examine the performance of duties of the directors and senior management of the Company and conduct annual performance appraisals on them;

(XI) to be responsible for supervising the implementation of the remuneration system of the Company; and

(XII) to handle other matters authorized by laws and regulations, the Hong Kong Listing Rules, the Articles of Association, the provisions of these Rules and the Board.

**Article 11** The remuneration plan for directors of the Company proposed by the remuneration committee shall be submitted to the Board for consent and then submitted to the general meeting for consideration and approval prior to implementation; the remuneration distribution plan for senior management of the Company shall be submitted to the Board for approval and determination.

The Board shall have the right to veto any remuneration policy, plan or scheme that harms shareholders' interests.

**Article 12** The remuneration committee shall exercise its powers in compliance with the relevant provisions of the Company Law, the Hong Kong Listing Rules, the Articles of Association and these Rules, and shall not prejudice the lawful rights and interests of the Company and its shareholders.

**Article 13** When the remuneration committee performs its duties, the relevant departments of the Company shall provide cooperation, and the relevant expenses shall be borne by the Company.

## Chapter IV Working Procedures

**Article 14** The human resources management department of the Company is responsible for making preparatory work for the decision-making of the remuneration committee, and collecting and providing relevant materials of the Company:

(I) information on the fulfillment of the main financial indicators and operational objectives of the Company;

(II) information on the division of work in charge and main duties of the senior management of the Company;

(III) information on the fulfillment of indicators involved in the performance appraisal system for the positions of directors and senior management;

(IV) information on the operating performance of the directors and senior management in terms of the capability in business innovation capability and profit-making;

(V) the basis for relevant measurement and calculation in the proposed formulation of the Company's remuneration distribution plan and distribution method in accordance with the Company's performance.

**Article 15** The appraisal procedures adopted by the remuneration committee for directors and senior management are as follows:

(I) directors and senior management of the Company shall report on their work and conduct self-evaluation to the remuneration committee;

(II) the remuneration committee evaluates the performance of the directors and senior management members according to the performance appraisal standards and procedures;

(III) the remuneration committee shall propose the remuneration amount and form of reward for directors and senior management members according to the performance appraisal results and remuneration distribution policies, and shall report the same to the Board of the Company upon approval by voting.

## Chapter V Procedures of Meetings

**Article 16** Meetings of the remuneration committee are classified as regular meetings and extraordinary meetings.

The remuneration committee shall hold at least one regular meeting each year. An extraordinary meeting may be convened upon proposal by two or more members of the remuneration committee, or when the chairman of the remuneration committee deems it necessary.

**Article 17** Meetings of the remuneration committee shall be convened and chaired over by the convener of the remuneration committee.

**Article 18** Matters discussed and considered at meetings of the remuneration committee shall fall within the terms of reference of the remuneration committee. Proposals of the remuneration committee shall be submitted to the Board for review and decision.

**Article 19** For the convening of a meeting of the remuneration committee, the Board secretary shall notify all members and the relevant persons invited to attend the meeting in writing of the time, place, matters to be considered and relevant materials five days prior to the meeting.

In case of emergency, where an extraordinary meeting of the remuneration committee needs to be convened as soon as possible to protect the Company's rights and interests, the Board secretary may issue the meeting notice at any time by telephone or other oral means, provided that the convener shall provide an explanation at the meeting.

**Article 20** Meetings of the remuneration committee shall be held if at least one-half of its members are present.

**Article 21** Members of the remuneration committee shall attend meetings of the remuneration committee in person and express clear opinions on the matters to be considered. If a member is genuinely unable to attend the meeting in person, he/she may submit a signed power of attorney authorizing another member to attend the meeting and express opinions on his/her behalf. The power of attorney shall specify the scope and duration of the authorization. Each member may accept authorization from no more than one other member. If an independent non-executive director member is genuinely unable to attend a meeting in person, he or she shall authorize another independent non-executive director member to attend on his or her behalf. If a member of the remuneration committee neither attends a meeting nor authorizes another member to attend, he or she shall be deemed to have waived his or her voting rights at the meeting.

**Article 22** If a member of the remuneration committee has a conflict of interest in relation to a matter discussed at a meeting, he or she shall abstain from voting and shall not exercise voting rights on behalf of any other member. If no valid deliberation opinion can be formed due to such abstention, the relevant matter shall be considered directly by the Board.

**Article 23** The remuneration committee may, when it deems necessary, invite the Company's directors, senior management and other staff members not belonging to the nomination committee to attend a committee meeting and to provide necessary information. Persons attending the meeting in a non-voting capacity may give explanations or clarifications on matters discussed at the meeting, but do not have voting rights.

**Article 24** Meetings of the remuneration committee may be held in the form of physical meetings or via telecommunication means such as video, telephone, facsimile, and email, or through a combination of physical and telecommunication means.

Provided that members are able to fully express their opinions, the remuneration committee may adopt resolutions by means of telecommunication, and such resolutions shall be signed by the members attending the meeting. If the meeting is conducted by means of telecommunication, the signing of the resolutions of the meeting by a member of the remuneration committee shall be deemed as having attended the relevant meeting and agreed to the contents of the resolutions of the meeting.

**Article 25** The voting method at meetings of the remuneration committee shall be by a show of hands or by poll, and each member shall have one vote.

Voting intentions at meetings of the remuneration committee are classified into approval, rejection and abstention. The committee members present at the meeting shall choose one of the aforesaid options. Where a member fails to make a choice or chooses two or more options simultaneously, the chairman of the meeting shall require such member to choose again, and where such member refuses to make a choice, he or she shall be deemed to have abstained; where a member leaves the meeting venue midway without returning and does not make a choice, he or she shall be deemed to have abstained.

If the committee members vote after announcement of the voting results by the chairman of the meeting or after close of the specified voting time, their votes shall be disregarded.

**Article 26** The remuneration committee may, if it deems necessary, engage an intermediary institution to provide professional advice for its decision-making, and the relevant expenses shall be borne by the Company.

**Article 27** Resolutions of the adopted at a meeting of remuneration committee shall be approved by a majority of all members.

**Article 28** Resolutions passed by the remuneration committee shall comply with the provisions of laws, administrative regulations, normative documents (such as departmental rules), the Hong Kong Listing Rules, the Articles of Association, and these Rules. Where the content of any resolution of the remuneration committee violates the provisions of relevant laws, administrative regulations, or the Hong Kong Listing Rules, such resolution shall be invalid; where the decision-making procedures of the remuneration committee violate the provisions of relevant laws, administrative regulations, normative documents (such as departmental rules), or the Articles of Association, or these Rules, or where the content of any resolution of the remuneration committee violates the provisions of the Articles of Association or these Rules, the relevant interested parties may, within sixty days from the date on which such resolution is adopted, request the Board of the Company to revoke such resolution.

**Article 29** The convening procedures and voting methods of the meetings of the remuneration committee and the resolutions passed at such meetings shall comply with the provisions of the relevant laws and regulations, the Hong Kong Listing Rules, the Articles of Association and these Rules.

**Article 30** Minutes of meetings of the remuneration committee shall be prepared and kept properly. The committee members and other persons attending the meeting shall sign the minutes of the meeting. The minutes of the meeting shall be kept by the Board secretary.

Minutes of meetings of the remuneration committee should at least include the following contents:

(I) date, venue and name of the convener of the meeting;

(II) name of the chairman of the meeting, as well as names of the persons attending (including by proxy) and persons present in a non-voting capacity;

(III) agenda of the meeting;

(IV) topics of the meeting and main points of the speeches of the committee members;

(V) voting method and voting results for each resolution (stating the number of votes for approval, rejection and abstention);

(VI) other matters that shall be explained and recorded in the minutes of the meeting.

**Article 31** The review opinions adopted by the remuneration committee, together with the relevant proposals, shall be submitted to the Board of the Company in writing.

**Article 32** All persons attending the meeting shall have an obligation of confidentiality in respect of the matters discussed at the meeting and shall not disclose any relevant information of the meeting without authorization.

**Article 33** Archives of meetings of the remuneration committee, including meeting notices, meeting materials, attendance records, powers of attorney for attendance by proxy, voting ballots, meeting minutes confirmed by signature, and resolutions, shall be kept by the Board secretary as corporate archives. The retention period for such archives shall be ten years.

**Article 34** During the implementation of the resolutions of the remuneration committee, the chairman of the remuneration committee or another member designated by him/her shall conduct follow-up inspections on the implementation of the resolutions. Where any matter in violation of the resolutions is identified during such inspections, he/she may require and urge the relevant person to rectify it. If the persons concerned fail to adopt the advice, the chairman of the remuneration committee or his/her designated member shall report to the Board of the Company, which shall be responsible for handling the matter.

## Chapter VI Supplementary Provisions

**Article 35** Unless otherwise specified, the terms used in these Rules shall have the same meanings as those in the Articles of Association.

**Article 36** For the purposes of these Rules, "or more", "not more than" and "within" are inclusive of the number itself; and "more than" is exclusive of the number itself.

**Article 37** For matters not covered in these Rules, or where these Rules conflict with the laws, regulations, normative documents or the Hong Kong Listing Rules promulgated or amended from time to time, or with the Articles of Association as amended under legal procedures, the provisions of the relevant national laws, regulations, normative documents, the Hong Kong Listing Rules and the Articles of Association then in effect shall prevail, and these Rules shall be amended in a timely manner.

**Article 38** The Board of the Company shall be responsible for the formulation, amendment and interpretation of these Rules.

**Article 39** These Rules have been considered and approved by the Board of the Company, and shall take effect and be implemented from the date on which the H shares of the Company are first publicly issued and listed on The Stock Exchange of Hong Kong Limited.