

## Objectives

The purpose of the Remuneration Committee (the “Committee”) of the Board of Directors (the “Board”) is to develop and implement a formal and transparent procedure for setting policy on executive directors’ and senior management’s remuneration and for fixing the remuneration packages for all directors. The Remuneration Committee should ensure that the levels of remuneration should be sufficient to attract and retain the directors needed to run the company successfully, but companies should avoid paying more than is necessary for this purpose.

## Constitution

The Board of Beijing Beida Jade Bird Universal Sci-Tech Company Limited (the “Company”) has resolved to establish a Committee of the Board to be known as the Remuneration Committee.

## Membership

The Committee shall be appointed by the Board from amongst the directors of the Company (“Directors”) and shall consist of not less than three members.

A majority of Committee members should be independent non-executive Directors. The Committee must be chaired by an independent non-executive Directors.

[GEM Rule 5.34]

## Chairman

The Chairman of the Committee (the “Chairman”) shall be appointed by the Board.

## Secretary

The Committee may from time to time appoint any person (includes Company Secretary) with appropriate qualification and experiences as the secretary of the Committee (“Secretary”).

## Quorum

Two members shall constitute a quorum.

## Frequency of meetings

Meetings shall be held not less than once a year.

### Proceedings of Meetings

Notice of at least seven days should be given of a regular Committee meeting.

An agenda and accompanying meeting papers should be sent in full to all Committee members at least three days before the intended date of Committee meeting.

[GEM Rule 15 A.7.1]

Questions arising at the meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes, the Chairman shall have a second or casting vote. [Article 104]

### Minutes

The Secretary must ensure that full minutes are kept of all meetings.

[GEM Rule 15 A.1.5] [Article 108]

Draft and final versions of minutes of Committee meetings shall be sent to all Committee members for their comment and records respectively, in both cases within a reasonable time after the meeting is held. [GEM Rule 15 A.1.4]

Minutes shall be opened for inspection at any reasonable time on reasonable notice by any Director. [GEM Rule 15 A.1.4]

Minutes shall record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed.

[GEM Rule 15 A.1.6]

The Committee shall circulate its meeting minutes to the Board (within a reasonable time period after the meeting), thereby keeping them informed of the Committee's activities and recommendations on a regular basis. Minutes of the Committee shall be formally approved by the Committee before reporting to the Board.

### Authority

The Committee is authorized by the Board to investigate any activity within its terms of reference.

The Committee is authorized by the Board to obtain outside legal or other independent professional advice if it considers this necessary. All such requests shall be processed in accordance with the Company's pre-defined procedures for seeking

independent professional advice at the Company's expenses.

[GEM Rule 15 B.1.1 & A.1.6]

The Committee shall be provided with sufficient resources to perform its duties.

[GEM Rule 15 B.1.4]

### **Duties**

The duties of the Committee shall be:

- (a) to make recommendations to the Board on the Company's policy and structure for all Directors and senior management of the Company ("Senior Management") remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; [GEM Rule 15 B.1.2(a)]
- (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; [GEM Rule 15 B.1.2(b)]
- (c) to determine with delegated responsibility 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, and make recommendations to the Board on the remuneration of non-executive Directors. The Committee consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group; [GEM Rule B.1.2(c), (d) & (e)]
- (d) 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 relevant contractual terms and is otherwise fair and not excessive; [GEM Rule 15 B.1.2(f)]
- (e) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with relevant contractual terms and are otherwise reasonable and appropriate; [GEM Rule 15 B.1.2(g)];
- (f) to ensure that no director or any of his associates is involved in deciding his own remuneration; [GEM Rule 15 B.1.2(h)]

(g) to consult the Chairman and/or chief executive of the Company about their remuneration proposals for other executive directors; [GEM Rule 15 B.1.1] and

(h) to consider other topics, as defined by the Board.

### **Annual General Meeting**

The Chairman or in his/her absence, another member of the Committee or failing this, his/her duly appointed delegate, shall attend the Annual General Meeting of the Company and be prepared to answer questions at the Annual General Meeting on the Committee's activities and their responsibilities. [GEM Rule 15 E.1.2]

### **Reporting**

The Committee shall report to the Board on a regular basis and address the work and findings of the Committee. The frequency of these reports will vary but, as a minimum, be on an annual basis.

The Secretary shall circulate the minutes of meetings and reports of the Committee to all members of the Board.

### **Publication of the terms of reference**

The terms of reference of the Committee will be posted on the website of GEM Board and the Company. A copy of the Term of Reference will be made available to any person without charge upon request. [GEM Rule 15 B.1.3].

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