

These terms of reference are prepared in Chinese. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.



中國天溢控股有限公司
China Tianyi Holdings Limited

(incorporated in the Cayman Islands with limited liability)
(Stock code: 00756)

Remuneration Committee

Terms of Reference

1. Organization

The board (“**Board**”) of directors (“**Directors**”) of China Tianyi Holdings Limited (the “**Company**”) has resolved to set up a remuneration committee of the Board (“**Committee**”).

2. Objective

The main objective of the Committee is to regularly make recommendations to the Board on the Company’s policy and structure for the remuneration of all the Company’s directors’ and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy. The Committee is accountable to the Board.

3. Composition

3.1 The Committee shall comprise three Directors who are appointed or removed by the Board. If any member of the Committee (“**Member**”) ceases to be a Director, he/ she will cease to be a Member automatically. The vacancy will be filled by appointment of new Member by the Board.

3.2 The majority of the Members shall be independent non-executive Directors.

3.3 The chairman of the Committee shall be appointed by the Board and shall be an independent non-executive Director.

4. Secretary

Save as otherwise appointed by the Committee, the secretary to the Committee shall be the secretary to the Company.

5. Duties

The duties of the Committee are as follows:

- 5.1 consult the chairman of the Board and/or chief executive about their remuneration proposals for other executive Directors. The Committee should have access to independent professional advice if necessary;
- 5.2 make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- 5.3 review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

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 appointments;
- 5.4 make recommendations to the Board on the remunerations of non-executive Directors;
- 5.5 consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
- 5.6 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;
- 5.7 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
- 5.8 ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration.

6. Meetings of the Committee

6.1 Number of meeting

There shall be at least one meeting of the Committee annually to be convened and held by attending in person, by telephone or video conference. If required, extraordinary meeting could be convened.

6.2 Notice of meeting

Unless waived by all Members on notice, the secretary to the Committee shall give seven days prior notice to all Members for any meeting to be convened and circulate the meeting agenda to the Members.

6.3 Quorum

Meetings of the Committee shall be attended by more than one-half of the Members to be effective.

6.4 Conducting the meetings

Meetings could be convened by attending in person, by telephone or video conference. Members could attend the meetings through telephone conference or similar arrangements which Members could communicate to each other. With consent by all Members, resolutions of the Committee could be passed by written resolutions.

6.5 Resolutions

Any resolution shall be passed by the majority votes of the Members.

6.6 Invitations

The Committee could invite any executive Directors, external advisers or other individuals to attend the meetings but such executive Directors, advisers or individuals are not entitled to vote at the meetings.

6.7 Minutes of the meetings

Full minutes of meetings should be kept by the secretary to the Committee. Minutes shall record matters considered and decisions reached by the Members in details, including any doubt or disagreement raised by the Members. Draft and final versions of the minutes of the meetings should be sent to all Members for their comment and records, within a reasonable time after the meetings.

7. Report

Chairman of the Committee or other Member who is authorized by the Chairman of the Committee to chair the meetings shall report to the Board after each meeting of the Committee.

8. Interpretation

Interpretation of this terms of reference shall belong to the Board.

(Adopted by the Company pursuant to the Board's resolution passed on 7 June 2008 and revised on 20 February 2012)