



INNO-TECH HOLDINGS LIMITED

匯 創 控 股 有 限 公 司 *

(incorporated in Bermuda with limited liability)

(Stock Code : 8202)

INNO-TECH HOLDINGS LIMITED

(the “Company”)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

1. *Constitution*

1.1 The Board of Directors (the “**Board**”) of Inno-Tech Holdings Limited (the “**Company**”) established the Remuneration Committee (the “**Remuneration Committee**”) in July 2008.

2. *Objectives*

2.1 In accordance with the requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”), the Remuneration Committee was established with an objective to set up formal and transparent procedures for setting policy on executive directors’ remuneration and for fixing the remuneration packages for all directors and senior management.

* *For identification purpose only*

3. *Composition*

- 3.1 The Remuneration Committee shall have at least three members (the “**Members**”), who shall be appointed by the Board out of their own number, a majority of them must be independent non-executive Directors of the Company.
- 3.2 The Board may nominate any one of the Members as the Chairman of the Remuneration Committee who shall be an independent non-executive Director and if no such Member is nominated, the Remuneration Committee shall elect one of the Members as the chairman of the Remuneration Committee.
- 3.3 At least one Member shall have knowledge in executive compensation, failing which, the Remuneration Committee shall have access to expert advice within the Company (from the Company’s human resources function) or from external sources.
- 3.4 A Member who wished to retire or resign from the Remuneration Committee shall serve sufficient prior written notice to the Company.
- 3.5 A Member who ceases to be a member of the Board shall immediately and automatically cease to be a Member of the Remuneration Committee.

4. *Secretary of the Remuneration Committee*

- 4.1 The company secretary of the Company shall act as the secretary of the Remuneration Committee and shall be responsible for matters relating to the Remuneration Committee meetings and keeping minutes.

5. *Meeting and Quorum*

- 5.1 The quorum for the Remuneration Committee meeting shall be two Members. In the absence of the Remuneration Committee chairman, the Members present shall elect one of their numbers to chair that meeting.

5.2 The Remuneration Committee shall hold at least one meeting in each financial year of the Company to discharge its duties set forth in these Terms of Reference.

5.3 Seven days' notice or such shorter notice as may be agreed by Members will be given by the secretary specifying the place, date, time and agenda of the meeting and/or related board papers should be sent in full to all Members in a timely manner and where practicable at least 3 days before the intended date of the Remuneration Committee meeting.

5.4 The secretary shall minute the proceedings and resolutions of all meetings as well as keep appropriate records. Any minutes signed by the chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence without any further proof of the facts stated therein. Minute of all meetings shall be circulated to all Members.

6. *Duties and Responsibilities*

The duties and responsibilities of the Remuneration Committee include the following:

- (a) to 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;
- (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) either:
 - (i) to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management; or
 - (ii) make recommendations to the Board on the remuneration packages of individual executive Directors and senior management;
- (d) to make recommendations to the Board on the remuneration of non-executive Directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

- (f) 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 contractual terms and is otherwise fair and not excessive;
- (g) 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;
- (h) to ensure that no Director or any of his associates is involved in deciding his/her own remuneration;
- (i) to disclose details of any remuneration payable to all Directors and members of senior management, on an individual and named basis, in the Company's annual reports; and
- (j) to consider and make recommendations on any other issues as requested by the Board.

7. *Authority of the Remuneration Committee*

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

7.2 The Remuneration Committee is authorised by the Board to obtain information that it requires from relevant department(s) of the Company regarding the remuneration of directors and senior management and surveys made on market remuneration level, if it considers necessary, in order to discharge its duties.

7.3 The Remuneration Committee is authorised by the Board to seek external legal or other independent professional advice and if it considers necessary, and to invite outside parties with relevant experience and expertise to attend meetings, at the Company's expense.

8. *Reporting procedures*

8.1 The chairman of the Remuneration Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

- End -