

CHINA WIRELESS TECHNOLOGIES LIMITED
(“Company”)
TERMS OF REFERENCE AND MODUS OPERANDI OF
REMUNERATION COMMITTEE
(“Committee”)

General

1. The Committee is a special committee of the board of directors, mainly responsible for assisting the board in establishing the assessment criteria for the directors, senior management of the Company and officers in charge of subsidiaries; responsible for developing and reviewing the remuneration policy and programme for the directors, senior management of the Company and officers in charge of subsidiaries; developing and reviewing the remuneration programme and budget of the Company.

Membership

2. The Committee shall comprise a minimum of three members with the independent non-executive directors in the majority. It shall have one chairman who shall be nominated by the board of the Company.
3. The term of office of the Committee shall be one year from the date of appointment. At the expiration of the term of office, a member may remain in office upon reappointment.
4. The Company Secretary or his nominee shall act as the Committee’s Secretary.

Authorities and Duties

5. The main authorities and duties of the Committee shall be:
 - (a) to make recommendations to the board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
 - (b) to review and approve the management’s remuneration proposal with reference to the board’s corporate goals and objective;
 - (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 of the remuneration of non-executive directors. The Committee should consider factors such as salaries paid by comparable companies, time

commitment and responsibilities of the directors, employment conditions elsewhere in the group and desirability of performance-based remuneration;

- (d) to make recommendation to the board on the remuneration of non-executive directors;
- (e) to review and evaluate the performance of executive directors of the Company in the relevant financial year to determine the amount of reward (if any) to be paid to them;
- (f) to determine the time for payment of the reward;
- (g) to review and approve compensation payable to executive directors and senior management for any loss or termination of their office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and reasonable and not excessive for the Company;
- (h) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with are otherwise reasonable and appropriate;
- (i) to ensure that no director or any of his associates is involved in deciding his own remuneration;
- (j) to consider granting share options to the directors of the Company in accordance with the share option scheme adopted by the Company;
- (k) to ensure compliance with the disclosing obligations in relation to the remuneration of directors under the Listing Rules, Companies Ordinance and other regulations;
- (l) to review and report to the board the pension arrangements regarding directors and senior management;
- (m) to report to the board the impropriety which may occur in the repayment of expenses unreasonably incurred by the directors;
- (n) to review information in interim reports, annual reports, announcements and circulars or the publications of the Company in relation to the remuneration and service contracts of directors;
- (o) to employ external lawyers, financial or other professional advisers to assist or advise the Committee if the Committee considers it necessary;
- (p) to meet with any outgoing director and senior management to understand the reason for their termination of office;
- (q) other matters authorized by the board of directors.

Procedures

6. The Committee shall meet at least annually. Additional meetings shall be held as the work of the Committee demands.
7. In addition, the Committee's Chairman may convene additional meetings at his discretion.
8. Meetings of the Committee may not be held unless all the members are present.
9. When topics involving a member of the Committee are discussed at the Committee meeting, the party in question shall excuse from the meeting.
10. The Committee should consult the Chairman and/or the chief executive officer about their remuneration proposals for other executive Directors. The Committee should be provided with sufficient resources to perform its duties and should have access to independent professional advice if necessary.
11. The secretary of the Committee shall send the minutes of meetings and the written resolutions of the Committee to the board of directors so as to keep it informed of the Committee's activities, decisions and proposals.
12. The Committee shall report to the board of directors periodically. At the next board meeting after the conclusion of the Committee meeting, the chairman of the Committee shall report the proposals and decisions of the Committee to the board of directors.