

**NATIONAL ELECTRONICS HOLDINGS LIMITED**  
**Remuneration Committee Charter**

**Purpose**

1. The purpose of the Remuneration Committee is to make recommendation to the board to review and approve remuneration contracts and policy for directors and executives of the Company, to evaluate the performance of and set the compensation for the directors.

**Organisation**

**Composition**

2. The Remuneration Committee shall be appointed by the Board from time to time pursuant to Bye-law 137. The Remuneration Committee members shall comprise of both executive directors and non-executive directors and shall consist of not less than three non-executive directors, the majority of whom shall meet and maintain the independence requirements (if any) from time to time of the Stock Exchange of Hong Kong Limited. The Board shall appoint (or delegate to the Remuneration Committee the appointment of) one member of the Committee as the Chairman.

**Meetings**

3. The Remuneration Committee shall meet at least once annually, or more frequently if circumstances dictate or act by unanimous written consent. At least one of these meetings shall be in person, while others may be conducted telephonically. Except in emergencies all papers for the meeting shall be sent to all committee members at least three days before each meeting. The quorum shall be two members of the Committee. All provisions of law and of the Company's Bye-Laws relating to proceedings of the Board shall apply mutatis mutandis to proceedings of the Remuneration Committee.
4. The Chairman (or in his or her absence, a member designated by the Chairman) shall preside at all meetings of the Remuneration Committee. The Chairman shall be responsible for leadership of the Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.

**Access**

5. The Remuneration Committee shall have full access to management. The Remuneration Committee may invite members of management or others to attend the Committee's meetings and provide pertinent information as appropriate.

**Minutes**

6. Full minutes of each Remuneration Committee meeting shall be prepared by the Secretary of the Company (who shall attend each meeting) and sent to all Remuneration Committee members in draft for comments as soon as reasonably

practicable. Final versions shall be prepared and sent to all Remuneration Committee members as soon as practicable. For the avoidance of doubt, the Secretary shall not be a member of the Remuneration Committee.

### **Reports**

7. The Remuneration Committee shall evaluate and assess the effectiveness of the Remuneration Committee and the adequacy of this Remuneration Committee Charter on an annual basis and recommend any proposed changes to the Board.

### **Authority**

8. The Remuneration Committee shall have the sole authority to retain, approve fees and other retention terms for and terminate any compensation consultant hired to assist in the evaluation of Chairman or senior management compensation.
9. The Remuneration Committee shall have the authority to obtain advice and assistance from internal or external legal, accounting or other advisors at the expense of the Company.

### **Responsibilities and Duties**

### **Other**

10. The Remuneration Committee shall:
  - (a) make recommendations to the board of the remuneration of non-executive directors;
  - (b) 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 policy on such remuneration;
  - (c) determine the specific remuneration packages of all 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 remuneration 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) review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the board from time to time;
  - (e) review and approve, subject to Bye-Law 96(B), the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;

- (f) review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate; and
- (g) ensure that no director or any of his associates is involved in deciding his own remuneration.

### **General**

11. The Remuneration Committee shall report regularly and make recommendations to the Board.
12. The Remuneration Committee shall be provided by the Company with sufficient resources to carry out its duties.