



DIGITAL CHINA HOLDINGS LIMITED

(神州數碼控股有限公司*)

(於百慕達註冊成立之有限公司)

(股份代號: 00861)

**Terms of reference of
the Remuneration Committee of the Board of Directors**

** For identification purpose only*

Digital China Holdings Limited
(神州數碼控股有限公司*)
(the “Company”)

Terms of reference of the Remuneration Committee (the “**Committee**”)
of the Board (the “**Board**”) of Directors (the “**Directors**”) of the Company

1. Constitution

- 1.1 The Remuneration Committee (the “**Committee**”) of Digital China Holdings Limited was established in 2006 pursuant to a resolution passed by the board of directors (the “**Board**”) of the Company at its meeting held on 31 August 2006.
- 1.2 These terms of reference were first approved and adopted on 31 August 2006 with the last revision approved and re-adopted pursuant to a resolution passed by the Board on 10 October 2022 and with effective on 11 October 2022.

2. Membership

- 2.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee (if any) in consultation with the Chairman of the Committee. The Committee shall be made up of at least three members (the “**Members**”) and comprising a majority of independent non-executive directors (“**INED**”).
- 2.2 Committee Chairman shall be appointed by the Board and must be an INED.

3. Attendance at Meetings

- 3.1 Only members of the Committee have the right to attend and vote at the Committee meetings. The Committee Chairman may invite the Chief Executive Officer, the head of human resources, external advisers and other persons to attend for all or part of any meeting as and when appropriate.
- 3.2 Appointments to the Committee shall be co-terminus with the directorship of the relevant members (whether by retirement, rotation or otherwise).

4. Secretary

4.1 The Company Secretary or their nominee shall act as the Secretary of the Committee.

5. Quorum

5.1 The quorum necessary for the transaction of business shall be any two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5.2 In the event of an equality of votes, the Committee Chairman shall be entitled to a second or casting vote.

6. Meetings

6.1 The Committee shall meet at least once a year and at such other times as the Chairman of the Committee shall require.

7. Notice of Meetings

7.1 Meetings of the Committee shall be summoned by the Secretary of the Committee.

7.2 Unless otherwise agreed, notice of each meeting together with an agenda of items to be discussed accompanying supporting papers, shall be sent to each member of the Committee and any other person required to attend such meetings as appropriate, at least 5 working days prior to any such meeting being held.

7.3 Meetings can be held in person, by telephone or by video conference. Members of the Committee may participate in a meeting by means of communication equipment through which all persons participating in the meeting are able to hear each other.

7.4 A resolution in writing signed by all members of the Committee shall be as valid and effective as if the same had been passed at a meeting of the Committee duly convened and held.

8. Minutes of Meetings

- 8.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings. Minutes of the Committee shall be kept by the Secretary.
- 8.2 Draft and final minutes of Committee meetings shall be circulated to all members of the Committee for their comment and records within a reasonable period of time after the meeting.

9. Annual General Meeting

- 9.1 The Chairman of the Committee and/or other Committee members shall attend the Company's Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

10. Duties

The Committee shall carry out the duties below (as may from time to time be varied or supplemented by the Board) for the Company and its subsidiaries (the "**Group**") as a whole, as appropriate:

- 10.1 make recommendations to the Board on the Group'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;
- 10.2 review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 10.3 make recommendations to the Board on the remuneration packages of individual executive directors and senior management, which includes benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- 10.4 make recommendations to the Board on the remuneration of non-executive directors;
- 10.5 consult the Board Chairman and/or Chief Executive Officer about remuneration proposals for executive directors;
- 10.6 ensure no director or any of his associates shall be involved in any decisions as to their own remuneration;
- 10.7 consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- 10.8 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;

- 10.9 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;
- 10.10 review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”);
- 10.11 advise shareholders on how to vote with respect to any service contracts of Directors that require shareholders’ approval in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”);
- 10.12 do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board from time to time; and
- 10.13 conform to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by applicable laws, rules and/or legislation.

11. Authority

- 11.1 The Committee is authorised by the Board to seek any remuneration related information it requires from the management in order to perform its duties.
- 11.2 The Committee should be provided with sufficient resources to perform its duties. In connection with its duties the Committee is authorised by the Board, subject to prior discussion concerning cost, to obtain, at the Company’s expense, any outside legal or other independent professional advice.

12. Reporting Responsibilities

- 12.1 The Committee Chairman shall report to the Board when appropriate.

13. Publication and Update of Terms of Reference

- 13.1 These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances in regulatory requirements, including those under the Listing Rules, in Hong Kong.
- 13.2 These terms of reference shall be made available to the public on both the Company’s website and the Stock Exchange’s website.

Adopted on 10 October 2022