



ANXIN-CHINA HOLDINGS LIMITED

中國安芯控股有限公司

(incorporated in the Cayman Islands with limited liability)

REMUNERATION COMMITTEE

TERMS OF REFERENCE

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Anxin-China Holdings Limited
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Remuneration committee
Terms of Reference

1. CONSTITUTION

- 1.1 The Remuneration committee was formed pursuant to the board resolution of the Company passed on 5 August 2005.
- 1.2 Revised on 28 March 2012 in compliance with revised Code Provision of the Corporate Governance Code set out in Appendix 14 to the Listing Rules which will come into effect on 1 April 2012.
- 1.3 The revised version shall supercede any terms of reference previously adopted by the Board of Directors.

2 MEMBERSHIP

- 2.1 The members of the Remuneration committee shall be appointed by the Board.
- 2.2 The Remuneration committee shall consist of not less than three members, all of whom shall be executive Directors or Non-executive Directors and a majority of whom should be Independent Non-executive Director.
- 2.3 The Chairman of the Remuneration committee must be an independent Director and appointed by the Board of Directors.

3 MEETINGS

- 3.1 The Company Secretary shall be the secretary of the Remuneration committee.
- 3.2 The Remuneration committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Remuneration committee.
- 3.3 A quorum of the Remuneration committee shall be any two members.

- 3.4 Notice of any meetings has to be given at least 3 days prior to any such meeting being held, unless all members unanimously waive such notice. Irrespective of the length of notice being given, a member attending the meeting shall be deemed waiver of the requisite length of notice of the meeting by the member. Notice of any adjourned meetings is not required if adjournment is for less than 7 days.
- 3.5 Meetings may be held in person, by telephone or video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.
- 3.6 Resolutions of the Remuneration Committee at any meetings shall be passed by a majority of votes of the members present.
- 3.7 A resolution in writing signed by all members of the Remuneration committee shall be as valid and effectual as if it had been passed at a meeting of the Remuneration committee duly convened and held.
- 3.8 Full minutes of remuneration committee meetings should be kept by the secretary of the Remuneration committee. Draft and final versions of minutes of the remuneration committee meetings shall be circulated to all members of the committee for their comment and records within a reasonable time after the meeting. Such minutes of meeting shall be opened for the Board's inspection.

4 ATTENDANCE AT MEETINGS

- 4.1 At the invitation of the Remuneration committee, the Chairman of the Board and/or Chief Executive Officer, external advisers and other persons may attend the meetings.
- 4.2 Only members of the Remuneration committee are entitled to vote at the meetings.

5 FREQUENCY OF MEETINGS

- 5.1 The chairman of the Remuneration committee, in consultation with the secretary, shall decide the frequency and timing of its meetings. There shall be as many meetings as the Remuneration committee's duties and responsibilities require.
- 5.2 The Remuneration committee shall meet no fewer than one meeting a year.

6 AUTHORITY

- 6.1 The remuneration committee shall consult the chairman of the Board about their remuneration proposals for other executive Directors.
- 6.2 The Remuneration committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- 6.3 A member of the Remuneration committee may, through the company secretary, seek independent advice in appropriate circumstances at the Company's expense to discharge his/her duties as a member of the Remuneration committee to the Company within its terms of reference.
- 6.4 The Remuneration committee shall be provided with sufficient resources to discharge its duties.

7 DUTIES & RESPONSIBILITIES

- 7.1 The Remuneration committee shall have the following duty and responsibilities: -
- 7.1.1 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;
- 7.1.2 to review and approve the management's remuneration proposal with reference to the Board's corporate goals and objectives;
- 7.1.3 to 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 appointment;
- 7.1.4 to make recommendations to the Board on the remuneration of non-executive directors;
- 7.1.5 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 relevant contractual terms and is otherwise fair and not excessive;
- 7.1.6 to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with relevant contractual terms and are otherwise reasonable and appropriate;

7.1.7 to ensure that no director or any of his associates is involved in deciding his own remuneration;

7.1.8 do any such things to enable it to perform its duties conferred on it by the Board; and

7.1.9 to consider other topics, as defined by the Board.

7.2 When the remuneration committee determines the remuneration packages, they should consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group.

8 REPORTING PROCEDURES

8.1 At the next meeting of the Board following a meeting of the Remuneration committee, the chairman of the committee shall report to the Board on the findings and recommendations of the committee.

9 PUBLICATION OF THE TERMS OF REFERENCE

9.1 The Remuneration committee should make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the Exchange's website and the Company's website.

9.2 The Chinese version of this document is for reference only. In case of any discrepancies or inconsistency between the English version and Chinese version, the English version prevails.