

# **Montage Technology Co., Ltd.**

## **Rules of Procedures for the Remuneration and Appraisal Committee of the Board of Directors**

**(Applicable upon issuance and listing of H Shares)**

### **Chapter 1 General Provisions**

**Article 1** In order to further establish and improve the remuneration and appraisal management system for the directors and executive officers of Montage Technology Co., Ltd. (the “Company”), and to improve the corporate governance structure, the Company establishes the Remuneration and Appraisal Committee with these terms of reference in accordance with the Company Law of the PRC (《中華人民共和國公司法》), the Code of Corporate Governance for Listed Companies (《上市公司治理準則》), the securities regulatory rules of the place(s) where the shares of the Company are listed and the articles of association of Montage Technology Co., Ltd. (the “Articles of Association”) and other relevant requirements.

**Article 2** The Remuneration and Appraisal Committee is a special body set up under the Board of Directors. The Committee is mainly responsible for formulating and appraising the Company’s Directors and executive officers’ assessment standards, formulating and reviewing the Company’s emolument policy and plans for the Company’s Directors and executive officers, and being accountable to the Board of Directors.

**Article 3** For the purpose of these Rules, directors refer to the directors (excluding independent directors and employee directors) who receive remuneration from the Company; executive officers refers to the chief executive officer, General Manager, General Manager, board secretary, head of finance. appointed by the Board of Directors and other personnel identified by the Board of Directors. Directors who do not receive remuneration from the Company are not within the scope of assessment under these rules.

### **Chapter 2 Composition**

**Article 4** The members of the Remuneration and Appraisal Committee shall be appointed by the Board of Directors from among the members of the Board of Directors, and it shall consist of not less than three members, of which the majority shall be independent directors. The term “independent director” in these rules has the same meaning as the term “independent non-executive director” in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “the Hong Kong Listing Rules”).

**Article 5** Members of the Remuneration and Appraisal Committee shall be elected by the Board of Directors.

**Article 6** The Remuneration and Appraisal Committee shall have one convener (chairperson), who shall be elected from the independent board members by the board of directors. The chairperson shall be responsible for presiding over the work of the committee.

**Article 7** The term of office of the Remuneration and Appraisal Committee shall be the same as that of the board of directors. A member may stand for re-election upon the expiration of his/her term of office. During his/her term of office, a member of the Remuneration and Appraisal Committee may be removed from his/her roles by the Board of Directors in accordance with statutory procedures. If any member ceases to be a director of the Company during the period of office, he/she shall automatically lose his/her membership, and the board of directors shall fill the vacancy.

**Article 8** The Remuneration and Appraisal Committee shall have the right to decide, based on the specific work situation, to establish a working group to be responsible for specific work such as work liaison and meeting organization. The members of the working group are not required to be members the Remuneration and Appraisal Committee.

### **Chapter 3 Duties**

**Article 9** The Remuneration and Appraisal Committee is responsible for formulating and conducting appraisals for Directors and executive officers, formulating and reviewing the remuneration decision mechanism, decision-making process, payment and recourse arrangement for directors and executive officers and other emolument policy and plans, and making recommendations to the Board of Directors on the following matters:

- (1) The emolument policy and structure of all directors and executive officers, and the formulation of the emolument policy for the establishment of formal and transparent procedures;
- (2) Remuneration packages of individual executive director and executive officers (including soft-dollar benefits, pension fund rights and amounts of compensation (including compensation for loss or termination of office or appointment));
- (3) The remuneration of the non-executive director;
- (4) To review and approve the management's remuneration proposals according to the corporate policies and objectives set by the Board of Directors; consider the remuneration paid by similar companies, the time commitment and responsibilities and the employment conditions of other positions within the Group;
- (5) To review and approve the compensation payable to executive director and executive officers for their loss or termination of office or appointment to ensure that such compensation is consistent with the contractual terms; if not, the compensation shall be fair and reasonable, so as not to be excessive;
- (6) To review and approve the compensation arrangements in respect of the dismissal or removal of a director due to his misconduct to ensure that such arrangement is consistent with the contractual terms; if not, the compensation shall be reasonable and appropriate;
- (7) To ensure that no director or any of his/her associates is involved in the determination of his own remuneration;

- (8) The formulation or alteration of share incentive plan (including matters relating to share scheme as described in Chapter 17 of the Hong Kong Listing Rules) and employee stock ownership plan, the entitlements of the participants and the achievement of conditions for exercising entitlements;
- (9) Arrangement of the stock ownership plan of the directors and executive officers in the subsidiary to be spin-off;
- (10) Other matters stipulated by laws, administrative regulations, the China Securities Regulatory Commission, the regulatory rules of the place where the Company's share certificates are listed and the Articles of Association of the Company.

If the Board of Directors fails to adopt or fully adopt the recommendations of the Remuneration and Appraisal Committee, the Board of Directors shall record and disclose the opinions of the Remuneration and Appraisal Committee and the specific reasons for their rejection in the resolutions of the Board of Directors.

## **Chapter 4 Meetings and Rules of Procedure**

**Article 10** In order to perform its duties, the Remuneration and Appraisal Committee has the authority to request the relevant departments of the Company to provide the following materials:

- (1) Providing information on the achievement of the Company's major financial metrics and business objectives;
- (2) The main duties and responsibilities of the Company's directors and executive officers;
- (3) Providing information on the completion of the indicators in the appraisal plan for the directors and executive officers of the Company.

**Article 11** The appraisal procedures for the directors and executive officers of the Company by the Remuneration and Appraisal Committee are as follows:

- (1) The Company's directors and executive officers shall make a work report to the Remuneration and Appraisal Committee of the Board of Directors;
- (2) the Remuneration and Appraisal Committee of the Board of Directors shall conduct performance appraisal of the Company's directors and executive officers according to the performance appraisal standards and procedures;
- (3) To propose the amount and distribution method of the remuneration of the Company's directors and executive officers according to the authorization of the Board of Directors, the results of position performance assessment and the remuneration distribution policy.

**Article 12** The meetings of the Remuneration and Appraisal Committee shall be convened and chaired by the convener of the Remuneration and Appraisal Committee. If the convener of the Remuneration and Appraisal Committee is unable or refuses to perform its duties, it shall designate an independent board member to perform the duties on its behalf.

**Article 13** The Remuneration and Appraisal Committee may hold meetings as required. A meeting may be convened when proposed by two or more members of the Remuneration and Appraisal Committee, or when deemed necessary by the convener of the Remuneration and Appraisal Committee.

**Article 14** Notice of the meeting of the Remuneration and Appraisal Committee shall be given three days before the meeting. The notice of the meeting shall specify the time, place and topics to be discussed. In the event of an emergency, the convening of a meeting is not subject to the time limit of the foregoing notice.

**Article 15** Meetings of the Remuneration and Appraisal Committee are held on-site in principle. On the premise of ensuring that all participating members can communicate and express their opinions fully, they may also be convened by means of communication such as video conference and conference calls if necessary.

**Article 16** The meeting of the Remuneration and Appraisal Committee shall be held only when more than two-thirds (including two-thirds) of the members are present; each member has one voting rights; and the resolutions of the Remuneration and Appraisal Committee must be passed by more than half of all the members.

**Article 17** Members of the Remuneration and Appraisal Committee shall attend the meetings in person and express clear opinions on the matters to be reviewed. If a member is unable to attend the meeting in person due to any reason, he/she may submit a powers of attorney signed by the member to authorize other members to attend the meeting and express their opinions on their behalf. The powers of attorney shall specify the licensed territory. Each member may be delegated by a maximum of one member. If an independent board member is unable to attend the meeting in person for any reason, he/she shall appoint another independent board member to attend the meeting on his/her behalf.

**Article 18** A member of the Remuneration and Appraisal Committee who is unable to attend the meeting in person nor authorise any other member to attend the meeting on his/her behalf shall be deemed to have not attended the meeting. A member who fails to attend the meeting for two consecutive times shall be deemed to be unable to properly perform his/her duties, and the Board of Directors may remove the member from office.

**Article 19** If the members of the Remuneration and Appraisal Committee believe that they have an interest in the matters discussed at the meeting, they shall disclose the nature and extent of the interest to the Remuneration and Appraisal Committee in a timely manner, and apply for abstention from voting. If other members of the Remuneration and Appraisal Committee are unanimous in their opinion that the interest relationship will not have a substantial impact on the matters to be voted on, such member may participate in the voting. However, if the Board of Directors of the Company deems it inappropriate for the aforesaid interested members to participate in the voting, it may revoke the voting results of the relevant resolutions, and require non-interested members to vote on the relevant resolutions again.

**Article 20** Where the number of voting members the Remuneration and Appraisal Committee is less than the number required in these rules and thus unable to form valid deliberation opinions, the relevant matters shall be deliberated directly by the Board of Directors.

**Article 21** When the Remuneration and Appraisal Committee deems it necessary, other relevant personnel such as non-member directors and executive officers of the Company are invited to attend the meetings of the Committee and provide necessary information.

**Article 22** The Remuneration and Appraisal Committee may engage intermediaries to provide independent professional advice where it deems necessary, and the Company shall bear the relevant expenses.

**Article 23** The convening procedures, voting methods and resolutions passed at the meetings of the Remuneration and Appraisal Committee must comply with the provisions of relevant laws, regulations, the Articles of Association and these rules.

**Article 24** The board secretary shall be responsible for arranging the meetings of the Remuneration and Appraisal Committee, and minutes of such meetings shall be prepared which shall be signed by the members and other personnel present at the meetings, and the minutes shall be kept by the board secretary of the Company.

**Article 25** The resolutions passed at the meeting of the Remuneration and Appraisal Committee and the voting results shall be reported to the Board of Directors in writing within three days.

**Article 26** Members and other personnel present at the meeting shall be obliged to keep confidential the matters discussed at the meeting, and shall not disclose relevant information without authorization.

## **Chapter 5 Supplementary Provisions**

**Article 27** These rules shall take effect upon approval by the Board of Directors and shall become effective on the date the Company's overseas-listed foreign shares (H shares) are listed on the Stock Exchange of Hong Kong Limited.

**Article 28** Matters not covered by these rules shall be implemented in accordance with relevant national laws and regulations, the securities regulatory rules of the stock exchange where the Company's share certificates are listed and the provisions of the Articles of Association; in the event that these rules conflict with laws and regulations promulgated by the state in the future, securities regulatory rules of the stock exchange where the Company's share certificates are listed, or the Articles of Association amended through legal procedures, the Board of Directors of the Company shall promptly amend these rules accordingly, and they shall come into effect upon approval by the Board of Directors.

**Article 29** These rules shall be interpreted by the Board of Directors.