

## FINANCIAL GRANTS AND SUBSIDIES

### Article 10. Board of Directors

#### Chapter 1 General Provisions

**Article 1** In order to further establish a sound system of remuneration and evaluation management for director (the Director) and senior management of Fla-Glass Group Co., Ltd (hereinafter referred to as the Company or the Company), establish remuneration incentive scheme of the Director and senior management and perfect the Company's governance structure. The Company has established a remuneration committee of the board of director (the Board) (hereinafter referred to as the Remuneration Committee) and formulated the implementation rules in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the Company Law), Code of Corporate Governance for Listed Companies, Measures for the Administration of Independent Director of Listed Company, Rules Governing the Listing of Securities on Shanghai Stock Exchange (hereinafter referred to as Shanghai Stock Exchange Listing Rules), Self-Regulatory Guidelines for Listed Companies of Shanghai Stock Exchange No. 1, Standardized Operation, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as Listing Rules of Stock Exchange), the Article of Association of Fla-Glass Group Co., Ltd (hereinafter referred to as the Article of Association) and other relevant regulations.

**Article 2** The Remuneration Committee of the Board is a specialized working body established under the Board. It is mainly responsible for formulating the evaluation standard of the Company's Director and senior management and performing check and balance. It is also responsible for formulating and reviewing the remuneration policies and plans of the Company's Director and senior management. The committee reports to the Board and shall be accountable to the Board.

**Article 3** For the purpose of the rules, an reference to Director ( ) represents all Director of the Company, and an reference to senior management represents the president, deputy president, secretary of the Board, chief financial officer and other senior management staff nominated by the general manager and approved by the Board.

#### Chapter 2 Composition

**Article 4** The Remuneration Committee shall comprise three Directors, a majority of whom shall be independent non-executive Directors.

**Article 5** Member of the Remuneration Committee shall be nominated by the chairman of the Board, or more than one-half of the independent non-executive Directors or more than one-third of all the Directors, and shall be elected and appointed by the Board.

**Article 6** The Remuneration Committee shall have one chairman, who shall be elected by an independent non-executive director member, shall be responsible for convening and presiding over the committee, and shall be determined by the Board.

**A 7** The term of office of the Remuneration Committee shall be the same as that of the Board. A member of the Remuneration Committee may be re-elected if re-elected upon the expiration of his/her term.

If an member resigns from the position of director of the Company during his/her term of office, he/she shall ipso facto and immediately cease to hold the position of committee member. The vacancy shall be filled by the Board within three months in accordance with Article 4 to 6 above.

**A 8** Where the number of members is less than the required number of members of the Remuneration Committee due to the resignation or removal of member or otherwise, the Board of the Company shall nominate one candidate for member in accordance with applicable law, regulation and other relevant requirements. Before the number of members reaches the required number of the Remuneration Committee, the Remuneration Committee shall suspend the exercise of the duties and powers provided in the charter.

**A 9** The human resource department of the Company shall be responsible for the daily affairs of the Remuneration Committee, and the secretary of the Board shall be responsible for the affairs of the meeting of the Remuneration Committee.

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**A 10** The Remuneration Committee of the Board of the Company is primarily responsible for establishing the assessment criteria for Directors and senior management and conducting assessments. It is also responsible for formulating and reviewing the remuneration policies and schemes for Directors and senior executives. Its main responsibilities include:

(1) the remuneration of Directors and senior management:

- (i) formulating remuneration policies, plans or schemes based on the main scope, responsibilities and importance of the management position of the Directors and senior management, and the remuneration level of similar positions in other enterprises, and should make recommendations to the Board;
- (ii) the remuneration policies, plans or schemes mainly include but not limited to performance evaluation criteria and procedures, the main evaluation system, and the principal plan and system regarding incentive and penalty;
- (iii) conducting due diligence assessments and annual performance appraisal of the Directors (non-independent Directors) and senior management of the Company and recommending reward and punishment;

- (2) the formation or change of the share incentive scheme, the employee share ownership plan, in order to grant to an participant and the condition for exercise of right ;
- (3) the shareholding plan arranged by Director and senior management in the proposed spin-off of subsidiaries ;
- (4) overseeing the implementation of the remuneration system of the Company ;
- (5) reviewing and approving the management ' proposal on remuneration based on the corporate goal and objective set by the Board;
- (6) making recommendation to the Board for the remuneration package of individual executive Director and senior management , including benefits in kind, pension right and compensation payment (including any compensation payable for loss or termination of their office or appointment );
- (7) making recommendation to the Board on the remuneration of non-executive Director ;
- (8) considering the remuneration package, time commitment , scope of responsibilities of similar companies and other employment terms of other positions within the Group;
- (9) reviewing and approving the compensation payable to executive Director and senior management for any loss or termination of office or appointment , or a person shall have each compensation inconsistent with the contractual term ; if each compensation inconsistent with the contractual term , ensuring that it is reasonable and appropriate and not excessive ;
- (10) reviewing and approving compensation arrangements relating to the dismissal or removal of Director for misconduct or the like, or a person shall have each arrangements are consistent with the contractual term ; if each compensation inconsistent with the contractual term , ensuring that it is reasonable and appropriate ;
- (11) ensuring that no Director or his /her associate (as defined under the Listing Rules of Stock Exchange) is involved in the determination of his /her remuneration;
- (12) in respect of any service agreement to be entered into between any member of the Group and its director or proposed director, or reviewing and providing recommendation to the shareholder of the Company (other than shareholder(s) who is /are director(s) ) that a material interest in the relevant service agreement and his /her respective associate ) also whether the terms of the service agreement are fair and reasonable and whether each service agreement are in the interest of the Company and the shareholder as a whole, and to advise shareholder on his /her own ;

(13) formulating, managing and approving the share incentive scheme for the Director, supervisor and senior management of the Company, and reviewing the qualification of personnel, conditions for grant and conditions for exercising the rights under the share incentive scheme;

(14) other matters authorized by the Board or stipulated by laws, administrative regulations, departmental rules, the regulations or rules of the place where the Company's shares are listed, and the Articles of Association.

If the Board has not adopted or fully adopted the recommendation of the Remuneration Committee, it shall state the opinion of the Remuneration Committee and the specific reason for not adopting in the resolution of the Board, and disclose each matter.

**A 11** The Board shall be entitled to reject the remuneration policies, plans or schemes that prejudice the interests of shareholders.

**A 12** The remuneration policies and plans for the Director of the Company proposed by the Remuneration Committee shall be approved by the Board and submitted to the general meeting for approval before implementation. The remuneration distribution plan for the senior management of the Company shall be reported to the Board for approval.

**A 13** The performance assessment standard, procedure and main assessment items for the Director formulated by the Remuneration Committee shall be reported to the general meeting for approval after consideration by the Board of the Company, and the performance assessment standard, procedure and main assessment items for the senior management formulated by the Remuneration Committee shall be implemented after approval by the Board of the Company.

**A 14** The share incentive scheme formulated by the Remuneration Committee shall be approved by the Board and the general meeting of the Company, and reported to the China Securities Regulatory Commission for filing according to laws.

**A 15** Members of the Remuneration Committee shall follow up the work and remuneration of the Director and senior management of the Company, and, when necessary, make equitable inquiries with the Director and senior management of the Company about their work, and they shall answer each inquiry.

**A 16** Members of the Remuneration Committee shall conduct a early review on whether the decision-making procedure for remuneration of Director and senior management are complying with the rules, based on reasonable grounds and in the interests of the Company and all shareholders and whether they are contained in the annual report on the remuneration of Director and senior management in connection with the reality, and issue the review report and submit it to the Board.

**A 17** The Remuneration Committee shall have the right to submit proposals to the Board. The Remuneration Committee shall prepare proposals or reports for the resolution, suggestion or recommendation at the meeting and submit them to the Board for consideration.

The Remuneration Committee shall exercise its duties and powers in accordance with the relevant provisions under the Companies Law, the Articles of Association and the Charter and shall not infringe the interests of the Company and shareholders.

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**A 18** The Remuneration Committee shall be responsible for the preliminary preparation work for the Board on remuneration and take management decisions, and provide information including but not limited to the following aspects:

**A 20** The Remuneration Committee shall convene a least one meeting per annum and shall notify all its members three days prior to the meeting. The meeting shall be chaired by the chairman of the Remuneration Committee. Where the chairman of the Remuneration Committee is unable to attend, he/she may authorise another independent non-executive director member to preside over the meeting.

**A 21** Meetings of the Remuneration Committee may only be convened with the presence of more than a quorum of its members. Each member shall have one vote. Resolution of the meeting shall be passed by more than one-half of all the members of the committee voting in favour.

**A 22** Members of the Remuneration Committee shall attend meetings in person and express opinion on matters under consideration. In the event that a member is unable to attend the meeting in person for any reason, the member may submit a power of attorney signed by him or her and appoint another member to attend the meeting and express opinion on his/her behalf. If an independent non-executive director member is unable to attend the meeting for any reason, he/she shall review the meeting material in advance to form a preliminary advice, appoint another independent non-executive director member to attend on his/her behalf. Each member could be entrusted by no more than one member at one time. The power of attorney shall specify the scope and duration of the authorisation.

**A 23** Votes at the meeting of the Remuneration Committee shall be made by a show of hands or by poll or via other voting method recognised by regulatory authorities (ie) of the place where the shareholders are listed. The meeting shall be convened on a basis in principle. Provided that all Directors can freely express their opinion at the meeting, each meeting can be held by means of video, telephone, or other method when necessary.

**A 24** The Director, senior and other senior management of the Company may be invited to attend meetings of the Remuneration Committee, where necessary.

**A 25** Where necessary, the Remuneration Committee may engage independent agencies to provide professional advice for its decision-making at the expense of the Company.

**A 26** The convening procedure of, and voting method and resolution passed at a meeting of the Remuneration Committee shall comply with the requirements of the relevant laws, regulations, the Articles of Association and the Charter.

**A 27** The Remuneration Committee shall keep minutes for its meetings. Members of the committee present at each meeting and meeting recorder shall sign the minutes. The minutes shall be kept by the secretary to the Board of the Company for a period of no less than ten years.

**A 28** Members attending and present at a meeting shall be obliged to keep confidential all matters discussed in each meeting, and shall not disclose any relevant information in any authorised publication before public disclosure by the Company.

**A 29** Any matter not defined in the Charter or inconsistent with the relevant laws, administrative regulations, normative documents, regulations or rules of the place where the Company has established and the Articles of Association, the relevant laws, administrative regulations, normative documents, the regulations or rules of the place where the Company has established and the Articles of Association shall prevail.

**A 30** The term above under the Charter includes, but is not limited to, the following:

**A 31** The Board of the Company is responsible for interpreting the Charter. The Charter will take effect after being adopted and approved by the Board, including the amendments.

**A 32** If there is an inconsistency between the English and Chinese versions of the Charter, the Chinese version shall prevail.