Flat Glass Group Co., Ltd.
Terms of Reference of the Remuneration Committee of the Board of Directors

Chapter 1 General Provisions

Article 1 In order to further establish a sound system of remuneration and evaluation management for directors (the "Directors") and senior management of Flat Glass Group Co., Ltd (hereinafter referred to as the "Company" or "the Company"), establish restraint-incentive scheme of the Directors and senior management and perfect the Company's governance structure. The Company has set up a remuneration committee of the board of directors (the "Board") (hereinafter referred to as the "Remuneration Committee") and formulated these 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 Directors of Listed Company, Rules Governing the Listing of Securities on Shanghai Stock Exchange (hereinafter referred 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 as "Listing Rules of Stock Exchange"), the Articles of Association of Flat Glass Group Co., Ltd (hereinafter referred to as the "Articles of Association") and other relevant regulations.

Article 2 The Remuneration Committee of the Board is a specialized working body set up under the Board. It is mainly responsible for formulating the assessment standards of the Company's Directors and senior management and performing such assessments. It is also responsible for formulating and reviewing the remuneration policies and plans of the Company's Directors and senior management. The committee reports to the Board and shall be accountable to the Board.

Article 3 For the purpose of these rules, any reference to "Director(s)" represent all Directors of the Company, and any reference to "senior management" represent the president, deputy president, secretary to 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 Members 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 acted by an independent non-executive director member, shall be responsible for convening and presiding over the committee, and shall be determined by the Board.

Article 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 serve consecutive terms if reelected upon the expiration of his/her term.

If any 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 Articles 4 to 6 above.

Article 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 members or other reasons, the Board of the Company shall nominate new candidates for members in accordance with applicable laws, regulations 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 these rules.

Article 9 The human resources department of the Company shall be responsible for the daily affairs of the Remuneration Committee, and the secretary to the Board shall be responsible for affairs of the meetings of the Remuneration Committee.

Chapter 3 Terms of Reference

Article 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:

(I) 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 positions of the Directors and senior management, and the remuneration levels 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 assessment and annual performance appraisal of the Directors (non-independent Directors) and senior management of the Company and recommending rewards and punishments;

(II) the formulation or change of the share incentive scheme, the employee share ownership plan, interests granted to any participant and the conditions for exercise of rights;

(III) the shareholding plan arranged by Directors and senior management in the proposed spin-off of subsidiaries;

(XIV) formulating, managing and approving the share incentive scheme for the Directors, supervisors and senior management of the Company, and reviewing the qualifications of persons, conditions for grant and conditions for exercising the rights under the share incentive scheme;

(XV) other matters as authorized by the Board or stipulated by laws, administrative regulations, departmental rules, the rules of the stock exchange(s) on which the shares of the company are listed, and the Articles of Association.

If the Board has not adopted or fully adopted the recommendations of the Remuneration Committee, it shall state the opinions of the Remuneration Committee and the specific reasons for not adopting in the resolutions of the Board, and disclose such matter.

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

Article 12 The remuneration policies and plans for the Directors 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.

Article 13 The performance assessment standards, procedures and main assessment system for the Directors 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 standards, procedures and main assessment system for the senior management formulated by the Remuneration Committee shall be implemented after approval by the Board of the Company.

Article 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 law.

Article 15 Members of the Remuneration Committee shall follow up the work and remuneration of the Directors and senior management of the Company, and when necessary, may raise questions with the Directors and senior management of the Company about their work, and they shall answer such questions.

Article 16 Members of the Remuneration Committee shall conduct a yearly review on whether the decision-making procedures for remuneration of Directors and senior management are complying with rules, based on reasonable grounds and in the interests of the Company and all shareholders and whether the content disclosed in the annual report on the remuneration of Directors and senior management is consistent with the reality, and issue the review report and submit it to the Board.

Article 17 The Remuneration Committee shall have the right to submit proposals to the Board. The Remuneration Committee shall prepare proposals or reports for the resolutions, suggestions or recommendations at the meetings and submit them to Board for consideration.

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

Chapter 4 Procedures of Decision-making

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

(I) information on the Company's fulfillment of its main financial indicators and business objectives;

(II) information on the division of work of the Company's senior management and their main duties;

(III) information on fulfillment of targets involved in the work performance evaluation system of Directors and senior management;

(IV) information on the business performance of business innovation and profit-making ability of Directors and senior management;

(V) the basis of measurement and calculation in relation to formulating the Company's remuneration distribution plan and method of distribution with reference to the performance results of the Company.**The Remuneration anagemen595(The Remubsines c**

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