

(Effective on 12 June 2024)

CHINA EVERBRIGHT GREENTECH LIMITED

**TERMS OF REFERENCE
OF THE REMUNERATION COMMITTEE**

Formation

1. The Remuneration Committee (the “Committee”) was formed pursuant to the meeting of the board of directors of China Everbright Greentech Limited (“the Company”) passed on 10 April 2017.

Composition and Quorum

2. The chairman and members of the Committee shall be appointed by the board of the Company and shall consist of not less than four members, a majority of whom should be independent non-executive directors. A quorum shall be three members (at least two shall be independent non-executive directors).
3. The chairman of the Committee should be an independent non-executive director.

Authority

4. The 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.
5. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
6. The Committee shall be provided with sufficient resources to perform its duties.

Duties

7. The duties of the Committee shall be:
 - a. to make recommendations to the Board on the Company’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;
 - b. to review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives;
 - c. to determine, with delegated responsibilities, 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;
 - d. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
 - e. 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 contractual terms and is otherwise fair and not excessive;

- f. to 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;
- g. to make recommendations to the Board on the remuneration of non-executive directors;
- h. to ensure that no director or any of his associates is involved in deciding his own remuneration;
- i. to consult the Chairman and/or the Chief Executive Officer of the Company about their remuneration proposals for other executive directors. The Remuneration Committee should have access to independent professional advice if necessary;
- j. to consider other topics as defined by the Board;
- k. to 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 “Listing Rules”); and
- l. to consider and implement other matters, as defined or assigned by the Board or otherwise required by the Listing Rules from time to time.

Reporting Responsibilities

- 8. The Committee shall report to the Board as and when appropriate.

Secretary of the Committee

- 9. The relevant person in charge of the human resources department of the Company shall be the secretary of the Committee, and shall be responsible for the preparation of the meetings of the Committee.

Frequency and Proceedings of meetings

- 10. The Committee shall hold at least one meeting each year.
- 11. The meeting shall be chaired by the chairman of the Committee. In the absence of the chairman of the Committee, the other members present shall elect one of them to chair the meeting.
- 12. The meetings and proceedings of the Committee are governed by the provisions contained in the articles of association of the Company for regulating meetings and proceedings of the board.
- 13. A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. Any such resolutions in writing may consist of several documents in like form each signed by one or more of the members.

Reporting procedures

14. The secretary of the Committee shall circulate the minutes of meetings to all members of the Committee.

Publication of the Terms of Reference

15. The terms of reference is posted on the websites of the Company and Hong Kong Exchanges and Clearing Limited. A copy of the terms of reference will be made available to any person without charge upon request.

First adopted: 8 May 2017

First update: 8 December 2017

Second update: 2 December 2022

Third update: 12 June 2024