



# **CAPITAL ENVIRONMENT HOLDINGS LIMITED**

## **首創環境控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

("Company")

### **TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

#### **1. Constitution**

The Remuneration Committee of the Company (the "**Remuneration Committee**") was established by the Company's board of directors (the "**Board**") with terms of reference on 15 June 2006. The Remuneration Committee is a committee under the Board.

#### **2. Membership**

- (a) The members of the Remuneration Committee shall be appointed by the Board from time to time and chaired by the chairman of the Board or an independent non-executive director of the Company.
- (b) The Remuneration Committee shall consist of not less than three members, and the majority of which should be the independent non-executive directors of the Company.
- (c) The company secretary of the Company or a nominee shall act as the secretary of the Remuneration Committee.

#### **3. Frequency and proceeding of meetings**

- (a) Meeting of the Remuneration Committee shall be held not less than once a year.
- (b) A quorum of a meeting of the Remuneration Committee shall be two members.

- (c) Questions raised at any meeting of the Remuneration Committee shall be decided by a majority of the members present. In the event of an equality of votes, the chairman of the meeting shall have the right to cast a second or casting vote.

#### **4. Authority**

- (a) The Remuneration Committee should consult the chairman of the Board and/or the chief executive officer of the Company on the remuneration proposals of other executive directors of the Company. The Remuneration Committee should seek independent professional advice if necessary.
- (b) The Remuneration Committee should be provided with sufficient resources to discharge its duties.

#### **5. Duties, power and functions**

The Remuneration Committee should discharge the following duties:-

- (a) to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management of the Company 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) either:
  - (i) to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management of the Company; or
  - (ii) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management of the Company;

This should include benefits in kind, pension rights and compensation payments (including compensation payable for loss or termination of office or appointment);

- (d) to make recommendations to the Board on the remuneration of non-executive directors of the Company;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- (f) to review and approve the compensation payable to executive directors and senior management of the Company 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;
- (g) 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; and
- (h) to ensure that no director or any of their associates is involved in deciding that director's own remuneration.

## **6. Reporting Procedures**

At the meeting of the Board held following a Remuneration Committee's meeting, the Remuneration Committee's chairman shall report its findings and recommendations to the Board. The secretary of the Remuneration Committee shall circulate the minutes of the meetings of the Remuneration Committee to all members of the Board.

*Adopted on 15 June 2006 and revised on 23 March 2012 and 28 October 2022*