



# 中裕能源控股有限公司

## ZHONGYU ENERGY HOLDINGS LIMITED

(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)  
(Stock Code:3633)

### REMUNERATION COMMITTEE (the “Committee”) TERMS OF REFERENCE

**(Adopted on 28 October 2005 with the last revision approved by the Board  
with effect from 8 December 2023)**

#### **MEMBERSHIP**

1. The Committee shall consist of three independent non-executive directors of the Company (the “Directors”) appointed by the board of directors (“the Board”) from time to time.
2. The Board shall nominate one of the members as the chairman of the Committee. The chairman of the Committee shall be consulted on the appointment of other members of the Committee.
3. The Head of Human Resources Department or its nominee shall act as the secretary of the Committee.

#### **FREQUENCY AND PROCEEDINGS OF MEETINGS**

4. The Committee shall meet at least once every year. Additional meetings shall be held as the work of the Committee demands.
5. Meetings can be convened at the request of the chairman or members of the Committee.
6. Where there is disagreement between the Committee and the Board, adequate time should be made available for discussion of the issue with a view to resolving the disagreement.
7. The quorum of the Committee meeting shall be 2 members. Decisions shall be determined by simple majority and, in the event of a tie, the chairman of the Committee shall have the casting vote.

8. The Committee shall be provided with sufficient resources to enable it to perform its functions, including seeking independent professional advice at the expense of the Company and to secure at the meeting the attendance of outsiders with relevant experience and expertise to advise its members if it considers necessary or desirable.
9. The provisions in the Articles of Association of the Company regulating the meetings and proceedings of the Board shall apply to the meetings and proceedings of the Committee so far as the same are applicable and are not replaced by the provisions in these terms of reference.

#### **AUTHORITY**

10. The Committee is authorised by the Board to seek any necessary information which is within the Committee's scope of duties from the employees of the Group (including members of the Board).
11. The Committee is authorised by the Board to consult the chairman and/or chief executive about their remuneration proposals for other executive Directors.

#### **DUTIES, POWERS AND FUNCTIONS**

12. The duties of the Committee shall include, but shall not be limited to the following:
  - (a) to formulate remuneration policy for approval by the Board, which shall take into consideration salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group, and individual performance of the Directors, senior management, and the general staff, and to implement such policy. Performance shall be measured against corporate goals and objectives resolved by the Board from time to time;
  - (b) without prejudice to the generality of the foregoing:
    - (i) to make recommendations to the Board on the Group's policy and structure for all Directors' (including non-executive Directors, and the chief executive as an ex-officio member) and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
    - (ii) to ensure that no Director or any of his associates is involved in deciding his own remuneration and give due consideration to all relevant laws, rules, regulations and regulatory requirements and guidance applicable to the Group;
    - (iii) to determine, review and approve with delegated responsibility, the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights, compensation payments (including any

compensation payable for loss or termination of their office or appointment) to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

- (iv) to make recommendations to the Board on the remuneration of non-executive Directors;
- (v) 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;
- (vi) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (vii) to consider the annual performance bonus for executive Directors, senior management, and the general staff, having regard to their achievements against the performance criteria and by reference to market norms, and make recommendation to the Board;
- (viii) review and evaluate the performance of the Committee and review these terms of reference to ensure that it is operating at maximum effectiveness, and recommend any changes it considers appropriate for the Board's approval; and
- (ix) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

13. The chairman or in his absence other member of the Committee should attend the annual general meeting to answer shareholder questions on the Committee's activities.

## **REPORTING PROCEDURES**

14. Full minutes of meetings of the Committee should be kept by the secretary of the meeting and should be open for inspection at any reasonable time on reasonable notice by any director. The minutes should record in sufficient detail the matters considered and decisions reached, including any concerns raised by directors or dissenting views expressed. Draft and final versions of minutes of the meetings of the Committee should be sent to all Committee members for their comment and records, within a reasonable time after the meeting.
15. The Committee shall report to the Board (without prejudice to the generality of the duties of the Committee as set out in these terms of reference) and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.

*Note:*

- (a) Senior management shall include the Chief Operating Officer, Deputy Chief Operating Officer, and Executive Vice Presidents.*
- (b) The Chinese version of this document is for reference only. In the event of any discrepancies or inconsistencies between the English version and the Chinese version, the English version shall prevail.*