



**CANVEST ENVIRONMENTAL PROTECTION
GROUP COMPANY LIMITED**

粵豐環保電力有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01381)

(the “Company”)

**TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE
OF THE BOARD OF DIRECTORS**

1. Constitution

The Remuneration Committee (the “**Committee**”) is established pursuant to a resolution passed by the Board of Directors (the “**Board**”) of the Company on 7 December 2014.

2. Membership

- 2.1 Members of the Committee shall be appointed by the Board from among the members of the Board and shall consist of not less than three members and a majority of which should be independent non-executive directors of the Company.
- 2.2 The chairman of the Committee (the “**Chairman**”) shall be appointed by the Board and shall be an independent non-executive director.
- 2.3 The secretary of the Committee (the “**Secretary**”) shall also be appointed by the Board.
- 2.4 The appointment of the members may be revoked, or additional members may be appointed to the Committee by resolutions passed by the Board.

3. Frequency and proceedings of meetings

- 3.1 The Committee shall meet at least once a year to set policy on executive director’s remuneration and to fix the remuneration package for all directors.

- 3.2 Resolutions of the Committee at any meeting shall be passed by a majority of votes of the members present. In the case of equality votes, the Chairman shall have a second or casting vote.

4. Quorum

- 4.1 A quorum necessary for the transaction of the business of the Committee shall be two members who must be independent non-executive directors.
- 4.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Notice of Meetings

- 5.1 Meeting of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and other supporting documents, shall be sent to each member of the Committee, and to any other person required to attend:
- (a) in relation to all regular meetings of the Committee, at least 14 days before the date of the meeting;
 - (b) in relation to all other meetings of the Committee, within a reasonable time prior to the date of the meeting.
- 5.3 Notice shall be given to each member of the Committee, and to any other person required to attend, in person orally or in writing or by telephone or by facsimile transmission or email at numbers or addresses from time to time notified to the Secretary by such member of the Committee or in such other manner as such member of the Committee may from time to time determine.
- 5.4 Any notice given orally shall be followed by confirmation in writing before the meeting of the Committee.

6. Alternate members

A member of the Committee may not appoint any alternate.

7. Overriding principles

- 7.1 Levels of remuneration should be sufficient to attract and retain directors to run the Company successfully without paying more than necessary.
- 7.2 No director should be involved in deciding his own remuneration.
- 7.3 The Committee should consult the chairman and/or chief executive officer of the Company about their remuneration proposals for other executive directors. The Committee should have access to independent professional advice, at the Company's expense, if it considers necessary.

8. Authority

- 8.1 The Committee may exercise the following powers:
 - (a) to review any proposed service contract with any director or senior management before such contract is entered into and to make recommendation for any changes to the proposed terms of such contract;
 - (b) to make recommendations regarding the remuneration, bonuses and welfare benefits of the executive directors and the senior management;
 - (c) to request the Board to convene a shareholders' meeting for the purpose of revoking the appointment of any director and to dismiss any employees if there is evidence showing that the relevant director and/or employee has failed to discharge his/her duties properly;
 - (d) to obtain outside legal or other independent professional advice, at the Company's expense, and to secure the attendance of independent third parties with relevant experience and expertise if it considers this necessary; and
 - (e) to exercise such powers as the Committee may consider necessary and expedient so that their duties under section 9 below can be properly discharged.
- 8.2 The Committee should be provided with sufficient resources to perform its duties.

9. Duties

The duties of the Committee shall be:

- (a) to make recommendations to the Board on the Company and its subsidiaries' (the "**Group**") 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 remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management. This should include benefits in kind, pension rights and compensation payment, including any compensation payable for loss of termination of their office or appointment;
- (d) to make recommendations to the Board on the remuneration of non-executive directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (f) 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;
- (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;
- (h) to ensure that no director or any of his/her associates (within the meaning prescribed to it under the Rules (the "**Listing Rules**") Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited in force from time to time) is involved in deciding his/her own remuneration;
- (i) to determine the policy for the remuneration of executive directors, to assess performance of executive directors and to approve the terms of executive directors' service contracts; and
- (j) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

10. Minutes of meetings

- 10.1 The Secretary, or his/her delegate, in attendance at the meetings of the Committee shall minute in sufficient detail the proceedings and resolutions of all such meetings, including the names of those present and in attendance. The

minutes should also include any concerns raised by any member of the Committee and/or dissenting views expressed.

- 10.2 Draft and final versions of minutes of the Committee meetings shall be sent to all members of the Committee for their comments and records respectively, in both case within a reasonable time after the meeting. Once they are agreed, the Secretary shall circulate the minutes and reports of the Committee to all members of the Committee and to all members of the Board.
- 10.3 Minutes of meetings of the Committee shall be kept by the Secretary and shall be available for inspection by any member of the Committee or other members of the Board at any reasonable time or reasonable notice.

11. Reporting Responsibilities

- 11.1 The Chairman shall report formally to the Board on proceedings after each meeting on all matters within its duties and responsibilities as well as its decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so.
- 11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its authority where action or improvement is needed.
- 11.3 The Chairman, or in the absence of the Chairman, a member, or failing this his duly appointed delegate, shall attend the annual general meeting of the Company and make himself available to respond to any questions from the shareholders of the Company on the Committee's activities and responsibilities.

12. Continuing applications of the constitutional documents of the Company

The constitutional documents of the Company regulating the meetings and proceedings of the directors of the Company so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

13. Power of the Board

The Board may, subject to compliance with the constitutional documents of the Company and the Listing Rules, amend, supplement and revoke these terms of reference provided that no amendments to and revocation of these terms of reference shall invalidate any prior act and resolution of the Committee which

would have been valid if such terms of reference had not been amended or revoked.

14. Others

- 14.1 The Committee should make available its terms of reference explaining its role and the authority delegated to it by the Board by including them on the Stock Exchange's website and the Company's website.
- 14.2 The Company should disclose details of any remuneration payable to members of senior management by band in their annual reports.
- 14.3 The Committee shall have access to sufficient resources in order to perform its duties. In the event that the Committee determines that it has insufficient resources, it may make a request for additional resources to the Chairman. If the request for additional resources is denied, the Committee may, if it chooses, make a request to the Board through the Secretary. The Board shall convene a Board meeting as soon as reasonably practicable to consider the request.
- 14.4 All members of the Committee shall have access to the advice and services of the Secretary with a view to ensuring that procedures of the Committee and all applicable laws, rules and regulations are followed.
- 14.5 In the event that the Committee or any member of the Committee requires access to independent professional advice in connection with his/her duties, a request may be made to the Secretary. All such requests shall be processed in accordance with the Company's pre-defined procedures for seeking independent professional advice at the Company's expense.
- 14.6 At the expense of the Company, every newly appointed member of the Committee shall be given a comprehensive, formal and tailored induction on the first occasion of his/her appointment, and subsequently such briefing and professional development as is necessary, to ensure that he/she has a proper understanding of the operations and business of the Company and that he/she is fully aware of his/her responsibilities as a member of the Committee.
- 14.7 Every member of the Committee shall give sufficient time and attention to his/her duties as a member of the Committee. He/she shall give the Company the benefit of his skills and expertise through regular attendance and active participation.
- 14.8 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

15. Language

If there is any inconsistency between the English version and the Chinese version, the English version shall prevail.

Adopted on: 24th December 2014

Revised on: 30th December 2022