

# CHIHU ENVIRONMENTAL GROUP LIMITED

## 齊合環保集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*  
(the “Company”)

### TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

#### Constitution

1. The board of directors of the Company (the “**Board**”) has resolved the establishment of the Remuneration Committee on 23 June 2010.

#### Membership

2. The Remuneration Committee (hereinafter referred to as the “**Committee**”) shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members. A majority of the members of the Committee should be independent non-executive directors (“**INEDs**”). The constitution of the Committee shall comply with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) from time to time.
3. The Chairperson of the Committee shall be an INED who is a member of the Committee appointed by the Board.
4. The term of membership will be one year from the date of appointment subject to renewal and shall be governed by the provisions of the Articles of Association of the Company.
5. The appointment of the members of the Committee may be revoked, and new appointment be made in place by resolutions passed by the Board and by the Committee.
6. No alternate Committee member can be appointed.

#### Attendance at Meetings

7. The quorum of a meeting of the Committee shall be two members of the Committee, at least one of which shall be an INED. 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.
8. Only members of the Committee have the right to attend meetings of the Committee. However, the Committee may, if necessary, invite executive directors who are not members of the Committee or senior management or personnel of the Company and external advisors to attend all or part of any meeting of the Committee as and when appropriate.

9. The Company Secretary or his/her nominee shall be the secretary of the Committee who should attend all meetings of the Committee. In the absence of the secretary of the Committee, Committee members present at the meeting may elect among themselves or appoint another person as the secretary of that meeting.
10. Members of the Committee may participate in a meeting of the Committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

### **Frequency of Meetings**

11. Meetings shall be held at least once a year. Additional meetings should be held as and when the Committee considers necessary.
12. The Chairperson of the Committee or any two members of the Committee may request a meeting if they consider it necessary.
13. Proceedings of meetings of the Committee shall be governed by the provisions of the Articles of Association of the Company.

### **Notice of Meetings**

14. Meetings of the Committee shall be summoned by the secretary of the Committee.
15. Unless otherwise agreed, notice of each meeting of the Committee shall confirm the venue, time and date together with an agenda of items to be discussed and shall be forwarded to each member of the Committee no later than 3 working days before the date of the meeting. Supporting papers shall be sent to the Committee members as appropriate at the same time (or such other period as all the Committee members may agree).

### **Committee's Resolutions**

16. 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 and may consist of several documents in same form each signed by one or more of the members of the Committee. Such resolution may be signed and circulated by fax or other electronic communications. This provision is without prejudice to any requirement under the Listing Rules for a Board or Committee meeting to be held.

### **Annual General Meeting**

17. The Chairperson of the Committee (or if he/she is not able to attend, his delegate who shall be a member of the Committee) shall attend the Annual General Meeting, in which he/she shall be prepared to respond to any shareholder's questions on the Committee's activities.

## **Authorities and Purposes**

18. The Committee should utilise information received internally and externally to satisfy itself that base salaries are competitive with current market conditions and that the total remuneration package/benefits are competitive with other companies of a similar size, business nature and scope as the Company.
19. The purpose of the establishment of the Committee is to enable the Company to be more open and objective in the setting of its remuneration in respect of the Chairperson of the Board, the executive directors and the senior management of the Company.
20. The Committee is to review and make recommendations concerning the remuneration packages and benefits of the Chairperson of the Board, the directors and the senior management of the Company as an independent and impartial committee. No director shall be involved in deciding his own remuneration.
21. The Committee must ensure that the Chairperson of the Board, the directors and the senior management of the Company are fairly rewarded in the light of their contribution to the Company and their performance and that they receive suitable incentives to maintain high standards of performance and to improve their, and the Company's, performance.
22. The Committee is authorised by the Board, and at the reasonable expense of the Company, to obtain outside legal or other independent professional advice and to secure attendance of outsiders with the relevant experience and expertise if the Committee considers necessary.
23. The Committee is to be provided with sufficient resources to perform its duties.

## **Duties**

The duties of the Committee shall include:

24. to assess, review and make recommendations, once a year or as and when required, to the Board in respect of the remuneration packages and overall benefits for the directors and the senior management of the Company. The Committee should consult the Chairman of the Board about the remuneration proposals for other executive directors of the Company;
25. to make recommendations to the Board in relation to all consultancy agreements and service contracts, or any variations, renewals or modifications thereof, entered into between the Company and the directors of the Company or any associate company of any of them;
26. to consider what details of the remuneration/benefits of the Chairman of the Board, the directors and the senior management of the Company should be reported in addition to those required by law in the Company's annual report and accounts and how those details should be presented;

27. 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;
28. to make recommendations to the Board on the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment) and to make recommendations to the Board on the remuneration of non-executive directors. The Committee should consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
29. to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
30. to review and evaluate the performance of individual executive director in the relevant financial year in determining the amount of bonus (if any) to be payable to him/her and determine the time of payment of any such bonus;
31. 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;
32. to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with relevant contractual terms and are otherwise reasonable and appropriate;
33. to ensure that no director or any of their associates is involved in deciding their own remuneration;
34. to review and approve matters relating to share schemes under the Listing Rules;
35. to cater for the Company to be in a position to offer and maintain competitive and attractive overall benefits to recruit and maintain high quality personnel at the Board level;
36. to do any such things to enable the Committee to discharge its duties and functions conferred on it by the Board; and
37. to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by the Listing Rules or applicable laws.

## **Reporting Procedures**

38. The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the Chairperson of the Committee shall report the findings and recommendations of the Committee to the Board.

39. Full minutes of Committee meetings shall be kept by the secretary of the Committee. Draft and final versions of minutes of Committee meetings shall be sent to all members of the Committee for their comments and records within a reasonable time after the meeting.

**Availability and Update of the Terms of Reference**

40. These terms of reference shall be updated and revised by the Board as and when necessary in light of changes in circumstances and changes in regulatory requirements (e.g. the Listing Rules) in Hong Kong. These terms of reference shall be made available to the public on the websites of the Company and The Stock Exchange of Hong Kong Limited.

Adopted by the Board on 23 June 2010  
Revised by the Board on 19 March 2012  
Revised by the Board on 30 June 2025