

# Remuneration Committee

## Terms of Reference

China Resources Power Holdings Company Limited

Adopted By the Board: 19 March 2012

Last Reviewed: 22 March 2023

Room 2001-02, 20/F, China Resources Building,

26 Harbour Road, Wanchai, Hong Kong

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In compliance with the Corporate Governance Code stipulated by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Ltd. (the “Listing Rules”) and pursuant to a Board resolution of China Resources Power Holdings Company Limited (“CR Power” or the “Company”), the Board established the Remuneration Committee (“Committee”) on 6 October 2003.

## **1. ROLE**

The primary role of the Remuneration Committee is:

- 1) to formulate an appropriate remuneration policy, to attract, motivate and retain outstanding management staff and employees to achieve maximized value for the Company and the shareholders;
- 2) to monitor the training programs and succession plans for senior management of the Company;
- 3) to monitor the compatibility of human resources policies and business development needs of the Company with industry trends.

In performing its duties and functions, the Committee may request for information from any employee of the Company, and may seek opinions or advice from external consultants, auditors, lawyers or other professionals, the relevant costs shall be borne by the Company.

## **2. RESPONSIBILITIES AND FUNCTIONS**

The Committee shall:

- 1) review the human resources policies of the Company, including material changes in the human resources policies, important programs implemented or revised by the Company, including retirement, incentives and departure plans, and training and succession plans for Senior Management;
- 2) review the remuneration policy for Directors and Senior Management of the Company, and make recommendations to the Board;
- 3) make recommendations to the Board on the formulation of procedures for establishing a formal and transparent remuneration policy;
- 4) review and approve the remuneration packages for Senior Management of the Company by making reference to the business plans and objectives approved by the Board;
- 5) approve the remuneration proposals of Executive Directors and Senior Management, including pension funds and compensation payments for termination of their office or appointment;
- 6) make recommendations to the Board on the remuneration of the Non-executive Directors. In doing so the Committee considers factors such as fees paid by comparable

companies, time commitment and responsibilities of the Non-executive Directors;

- 7) review and approve the compensation payable to Executive Directors and Senior Management for any termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excess;
- 8) review and approve compensation arrangements relating to replacement, dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- 9) ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration;
- 10) review and monitor the training and continuous professional development of Senior Management;
- 11) review and / or approve matters relating to share schemes under Chapter 17 of the Listing Rules;
- 12) address or deal with such other matters as may be delegated by the Board to the Committee.

### **3. MEMBERS**

The Committee is composed of at least two non-executive directors, a majority of the members must be independent

non-executive directors. The Chairman of the Committee shall be an independent non-executive director. The management of the Company must not serve as a member of the Committee.

#### **4. MEETINGS**

The Committee shall convene at least one meeting in each year. The Committee may increase the number of meetings, if necessary.

The Committee shall dispatch the agenda and relevant documents of a meeting to all members of the Committee at least five business days prior to the date set for holding each meeting.

The minutes of the Committee meeting must be kept properly. Where there is no conflict of interest. Directors may inspect the minutes at any time.

The quorum of meeting of the Committee is formed by the attendance of at least two members. In the absence of the Chairman of the Committee, members of the Committee may elect a member to chair the meeting and preside over the meeting.

#### **5. REPORTING**

The Committee shall report regularly to the Board. At the next meeting of the Board after a meeting of the Committee, the

Chairman of the Committee must report to the Board on the outcome and recommendations of the Committee. A summary of the minutes of the Committee meeting is required to be sent to all directors for review.

## **6. REVIEW**

The Committee shall review its composition of members and the terms of reference on an annual basis, and make recommendations to the Board on any necessary changes.