

CHINA CONCH ENVIRONMENT PROTECTION HOLDINGS LIMITED
中國海螺環保控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 587)

(“the Company”)

**Terms of reference of the Remuneration and Nomination Committee
(the “Committee”) of the Board (the “Board”) of Directors (the “Directors”)
of the Company**

1. Constitution

1.1 The Committee is established pursuant to a resolution passed by the Board at its meeting held on September 17, 2021.

2. Membership

2.1 Members of the Committee shall be appointed by the Board from amongst the members of the Board and shall consist of not less than three members and a majority of whom should be independent non-executive Directors.

2.2 The Chairman of the Committee shall be appointed by the Board or elected among the members of the Committee and shall be an independent non-executive Director.

2.3 The company secretary of the Company shall be the secretary 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 for that meeting.

2.4 The appointment of the members of the Committee may be replaced, revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee. An appointment of Committee member shall be automatically revoked if such member ceases to be a member of the Board.

3. Proceedings of the Committee

3.1 *Notice:*

(a) Unless otherwise agreed by all the Committee members, a meeting shall be called by at least seven days’ notice. Such notice shall be sent to each member of the Committee, and to any other person invited to attend. Irrespective of the length of notice being given, attendance of a Committee member at a meeting constitutes a waiver of such notice unless the Committee member attending the meeting attends

for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the meeting has not been properly convened.

- (b) A Committee member may and, on the request of a Committee member, the secretary to the Committee shall, at any time summon a Committee meeting. Notice shall be given to each Committee member in person orally or in writing or by telephone or by email or by facsimile transmission at the telephone or facsimile number or address or email address from time to time notified to the secretary by such Committee member or in such other manner as the Committee members may from time to time determine.
- (c) Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.
- (d) Notice of meeting shall state the purpose, time and place of the meeting. An agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting should generally be delivered to all Committee members seven days (and in any event not less than three days) before the intended date of the Committee meeting (or such other period as all the Committee members may agree).

3.2 *Quorum:* The quorum of the Committee meeting shall be two members of the Committee and a majority of whom shall be independent non-executive Directors.

3.3 *Frequency:* Meetings shall be held at least once every year.

3.4 Meetings may be held in person, or by means of telephone, electronic or other communication facilities as may permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

3.5 No Committee member may vote on any resolution of the Committee regarding his own remuneration.

3.6 A resolution in writing signed by all the Committee members 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 like form each signed by one or more of the Committee members.

4. Overriding principles

4.1 Remuneration levels should be sufficient to attract and retain Directors to run the Company successfully without paying more than necessary.

4.2 No Director should be involved in deciding his own remuneration.

4.3 The Committee should consult the chairman and/or chief executive about their remuneration proposals for other executive Directors. The Committee should have access to independent professional advice if necessary.

5. Alternate Committee members

5.1 A Committee member may not appoint any alternate.

6. Authority of the Committee

6.1 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 to the Company's human resources department 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 dismiss any employees and/or to convene a shareholders' meeting (if necessary) for purposes of revoking the appointment of any Director if there is evidence showing that the relevant Director and/or employee has failed to discharge his duties properly;
- (d) to seek any information it requires from any employee of the Company and its subsidiaries (together, the "Group") and any professional advisers in order to perform its duties, to require any of them to prepare and submit reports and to attend Committee meetings and to supply information and address the questions raised by the Committee;
- (e) to review the performance of the Directors and the independence of independent non-executive Directors in relation to their appointment or reappointment as Directors;
- (f) to obtain outside legal or other independent professional advice at the expenses of the Company on any matters within these terms of reference including the advice of independent human resource consultancy firm or other independent professionals as it considers necessary and to secure the attendance of outsiders with relevant experience and expertise at its meetings, if it considers this necessary. The Committee shall have full authority to commission any search (including without limitation litigation, bankruptcy and credit searches), report, survey or open recruitment which it deems necessary to help it fulfill its duties and should be provided with sufficient resources to discharge its duties;
- (g) to have access to sufficient resources in order to perform its duties;
- (h) to review annually these terms of reference and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary; and
- (i) to exercise such powers as the Committee may consider necessary and expedient so that their duties under section 7 below can be properly discharged.

6.2 The Committee should be provided with sufficient resources to discharge its duties.

7. Duties

7.1 The duties of the Committee shall be:

- (a) 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;
- (b) to review and approve the management's 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 payments, including any compensation payable for loss or 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 their associates is involved in deciding that director's own remuneration;
- (i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (j) to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (k) to assess the independence of the independent non-executive Directors;
- (l) to make recommendations to the Board on:
 - (i) the role, responsibilities, capabilities, skills, knowledge and experience required from members of the Board;
 - (ii) the policy on the terms of employment of non-executive Directors;

- (iii) the composition of the audit committee, remuneration and nomination committee and other board committees of the Company;
 - (iv) proposed changes to the structure, size and composition of the Board;
 - (v) the re-election by shareholders of the Company of any Directors who are to retire by rotation having regard to their performance and ability to continue to contribute to the Board;
 - (vi) the continuation (or not) in service of any independent non-executive Director serving more than nine years and to provide recommendation to the shareholders of the Company as to how to vote on the resolution approving the re-election of such independent non-executive Director;
 - (vii) the appointment or re-appointment of Directors and succession planning for Directors in particular the chairman and the chief executive; and
 - (viii) the measurable objectives for achieving diversity on the Board, to take into consideration a number of factors, including without limitation, professional experience, skills, knowledge, education background, gender, age, cultural and ethnicity and length of service, in order to achieve diversity of perspectives on the Board;
- (m) to give full consideration to the following in the discharge of its duties as mentioned above or elsewhere in these terms of reference:
- (i) succession planning of Directors;
 - (ii) leadership needs of the Group with a view of maintaining or fostering the competitive edge of the Group over others;
 - (iii) changes in market environment and commercial needs of the market in which the Group operates;
 - (iv) the skills and expertise required from members of the Board; and
 - (v) the relevant requirements of the Listing Rules with regard to directors of a listed issuer;
- (n) in respect of any proposed service contracts to be entered into by any members of the Group with its director or proposed director, which require the prior approval of the shareholders of the Company at general meeting under rule 13.68 of the Listing Rules, to review and provide recommendations to the shareholders of the Company as to whether the terms of the service contracts are fair and reasonable and whether such service contracts are in the interests of the Company and the shareholders as a whole, and to advise shareholders on how to vote;
- (o) to ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out what is expected of them in terms of time commitment, committee service and involvement outside meetings of the Board;

- (p) to conduct exit interviews with any Director upon their resignation in order to ascertain the reasons for his departure;
- (q) to consider and implement other matters, as defined or assigned by the Board from time to time; and
- (r) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

8. Minutes and reporting procedures

- 8.1 The secretary shall, at the beginning of each meeting, ascertain and record the existence of any conflicts of interest and minute them accordingly. The relevant member of the Committee shall not be counted towards the quorum and he must abstain from voting on any resolution of the Committee in which he or any of his associates has a material interest, unless the exceptions set out in note 1 to Appendix 3 to the Listing Rules apply.
- 8.2 Full minutes of Committee meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the company secretary). Draft and final versions of minutes of the Committee meetings should be sent to all Committee members for their comment and records within a reasonable time after the meeting (generally, meaning within 14 days after the meeting). Once the minutes are signed, the secretary shall circulate the minutes and reports of the Committee to all members of the Board.
- 8.3 The secretary of the Committee shall keep record of all meetings of the Committee held during each financial year of the Company and records of individual attendance of members of the Committee, on a named basis, at meetings held during that financial year.

9. Reporting responsibilities

- 9.1 The Committee shall report to the Board after each meeting of the Committee and shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

10. Annual general meeting

- 10.1 The chairman of the Committee or in his absence, another member of the Committee or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to answer questions at the annual general meeting on the Committee's activities and their responsibilities.

11. Reporting responsibilities

- 11.1 The Committee shall report to the Board after each meeting.

12. Continuing application of the articles of association of the Company

12.1 The articles of association of the Company regulating the meetings and proceedings of the Directors 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. Powers of the Board

13.1 The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including the Corporate Governance Code set out in Appendix 14 to the Listing Rules or if adopted by the Company, the Company's own code of corporate governance practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments or supplements to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended, supplemented or revoked.

14. Publication of the terms of reference of the Committee

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 website of the Company and on the website of the Stock Exchange.

This document was prepared in English language. In case of any inconsistency between the Chinese version and the English version, the English version shall prevail.

Adopted on December 11, 2022