



中國水業集團有限公司\*  
CHINA WATER INDUSTRY GROUP LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1129)**

## **TERMS OF REFERENCE FOR REMUNERATION COMMITTEE (amended on 29 December 2022)**

### **1. CONSTITUTION**

- The board (the “**Board**”) of directors (the “**Directors**”) of China Water Industry Group Limited (the “**Company**”) has established a remuneration committee (the “**Remuneration Committee**”) on 29 June 2005.

### **2. MEMBERSHIP**

- The Remuneration Committee shall consist for three (3) members. The members of the Remuneration Committee shall be appointed by the Board from amongst the executive Directors and independent non-executive Directors (“**INEDs**”) of the Company.
- A majority of the members of the Remuneration Committee should be INEDs.
- The chairperson of the Remuneration Committee shall be appointed by the Board and must be an independent non-executive Director (“**INED**”).

### **3. SECRETARY**

- The company secretary shall be the secretary of the Remuneration Committee.
- The Remuneration Committee may from time to time, appoint any other person with appropriate qualification and experience to act as the secretary of the Remuneration Committee.

### **4. FREQUENCY AND PROCEEDINGS OF MEETINGS**

- The Remuneration Committee should meet at least once a year. Any member or the secretary of the Remuneration Committee can call for a meeting.
- Notice of at least 14 days should be given for any meeting, unless such notification is waived by all members of the Remuneration Committee. Notwithstanding the notification period, the attendance of the member of the Remuneration Committee at the meeting would be deemed as the waiver by such members of the required notification requirement. If the follow-up meeting takes place within 14 days after the meeting, then no notification is required for such follow-up meeting.

\* *For identification purposes only*

- For the regular Remuneration Committee meetings and as far as practicable in all other cases, an agenda and accompanying supporting papers shall be sent to all members of the Remuneration Committee and to other attendees as appropriate at least 3 days before the date of the meeting (or other agreed period).
- Any member of the Remuneration Committee shall be entitled, by notice to the secretary of the Remuneration Committee, to include other matters relevant to the functions of the Remuneration Committee in the agenda of a Remuneration Committee meeting.
- The quorum necessary for the transaction of business of the Remuneration Committee shall be two members of the Remuneration Committee, one of whom must be an INED.
- Meeting can be attended in person or telephone or through electronic means of communication. The members of the Remuneration Committee can attend the meeting via telephone or any similar communication device (all persons attending such meeting should be able to hear from such member via such communication device).
- Resolutions of the Remuneration Committee shall be passed, in the case of a meeting, by more than half of the members of the Remuneration Committee attending such meeting.
- A resolution passed and signed by all members of the Remuneration Committee is valid, and the validity is the same as any resolution passed in the meeting held.
- Full minutes of Remuneration Committee meeting should be kept by a duly appointed secretary of the Remuneration Committee and be available for review by all Directors. Draft and final versions of minutes of the meeting should be sent to all members of the Remuneration Committee for their comment and records, within a reasonable time after the meeting.

## **5. ATTENDANCE AT MEETINGS**

- The Company's chairperson of the Board shall attend meetings to discuss the performance of members of the Board who are executive Directors and members of the executive directorate and make proposals as necessary. Head of human resources shall attend meetings for the purpose of submitting the Remuneration Committee to perform its duties. As deemed necessary by the Remuneration Committee, other members of the Company may also attend meetings of the Remuneration Committee. However, no member of the Board or the executive directorate shall be involved in any decision or present at any discussions as to his or her own individual remuneration, save for head of human resources who shall be present and be able to speak at any discussions where he/she is providing such necessary background as is referred to above.
- Only the members of the Remuneration Committee can vote in a meeting of the Remuneration Committee.

## 6. ANNUAL GENERAL MEETING

The chairperson of the Remuneration Committee or (if absent) the other member of Remuneration Committee (who must be an INED) should attend the annual general meetings of the Company, and handle the shareholders' enquiry on the activities and responsibilities related to the Remuneration Committee at such meetings.

## 7. DUTIES AND POWERS

The Remuneration Committee shall have the following duties and powers:

- 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;
- to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- either: (i) to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management; or (ii) 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;
- to make recommendations to the Board on the remuneration of non-executive Directors;
- to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- to review and approve the 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;
- 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;
- to ensure that no Director or any of his or her associates is involved in deciding his or her own remuneration;
- to review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"); and
- to consider and implement other matters, as defined or assigned by the Board or otherwise required by the Listing Rules from time to time.

## **8. REPORTING**

The Remuneration Committee shall report to the Board after each of its meetings. At the next meeting of the Board following a meeting of the Remuneration Committee, the chairperson of the Remuneration Committee shall report the findings and recommendations of the Remuneration Committee to the Board.

## **9. AUTHORITY**

- The Remuneration Committee should consult the chairperson of the Board and/or chief executive officer about their remuneration proposals for other executive Directors.
- The Remuneration Committee is authorised by the Board to request the senior management of the Company to provide any required resources or information related to the remuneration package to perform its duties.
- The Remuneration Committee should have access to independent professional advice at the Company's expense if necessary, to perform the responsibilities of the Remuneration Committee, a request may be made to the Board through the company secretary.
- The Remuneration Committee should be provided with sufficient resources to perform its duties.

*Remarks:* If there is any inconsistency between the English and Chinese versions of these terms of reference, the English version shall prevail