



(Incorporated in Bermuda with limited liability)  
(Stock Code: 702)

## **Terms of Reference of Remuneration Committee**

### **A. Constitution**

- A.1 These terms of reference with the authority and duties of the Remuneration Committee were approved by the Board on 17 February 2023 which superseded previously adopted terms of reference. The Board has the authority to review and amend these terms of reference from time to time.

### **B. Membership**

- B.1 Members of the Remuneration Committee shall be appointed by the Board. A majority of the Members must be independent non-executive Directors.
- B.2 The Board shall appoint the chairman of the Remuneration Committee who shall be an independent non-executive Director.

### **C. Remuneration Committee Meetings**

- C.1 Unless otherwise stipulated herein, the meetings and proceedings of the Remuneration Committee shall be governed by the provisions contained in the bye-laws of the Company for regulating the meetings and proceedings of Directors. Unless otherwise determined by the Board, the quorum for meeting of the Remuneration Committee shall be two Members.
- C.2 The Remuneration Committee should meet regularly and Remuneration Committee meetings should be held at least annually. It is expected that such regular Remuneration Committee meetings will normally involve the active participation, either in person or through other electronic means of communication, of a majority of Members entitled to be present.
- C.3 Arrangements should be in place to ensure that all Members are given an opportunity to include matters in the agenda for regular Remuneration Committee meetings.
- C.4 The company secretary of the Company shall be the secretary of the Remuneration Committee.
- C.5 Notice of at least 14 days should be given of a regular Remuneration Committee

meeting to give all Members an opportunity to attend. For all other Remuneration Committee meetings, reasonable notice should be given.

- C.6 All Members should have access to the advice and services of the secretary of the Remuneration Committee with a view to ensuring that Remuneration Committee procedures, and all applicable rules and regulations, are followed.
- C.7 Full minutes of the Remuneration Committee meetings should be kept by the secretary of the Remuneration Committee and such minutes should be open for inspection at any reasonable time on reasonable notice by any Member or Director. Draft and final versions of minutes of meetings should be sent to all Members for their comment and records within a reasonable time after the meeting is held.
- C.8 If a Member has a conflict of interest in a matter to be considered by the Remuneration Committee which the Remuneration Committee has determined to be material, the matter should be dealt with by way of Remuneration Committee meeting and the interested Member shall not vote nor shall he be counted in the quorum present at the relevant meeting of the Remuneration Committee.
- C.9 A resolution in writing signed by all Members for the time being shall be as effective for all purposes as a resolution of the Members passed at a meeting duly convened, held and constituted.

#### **D. Authority**

- D.1 The Remuneration Committee is authorized by the Board to perform any activity within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Remuneration Committee.
- D.2 The Remuneration Committee is authorized by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
- D.3 There should be a procedure agreed by the Remuneration Committee to enable Members, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expense. The Remuneration Committee should resolve to provide separate independent professional advice to Members to assist the relevant Member or Members to discharge his/their duties to the Company.
- D.4 The Remuneration Committee should be provided with sufficient resources to perform its duties.

#### **E. Duties**

- E.1 The duties of the Remuneration Committee should include at least the following

duties :-

- (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) Either:
  - (i) to determine, with the 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;
- (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 associates is involved in deciding his own remuneration;
- (i) To consult the Chairman of the Board and/or CEO about their remuneration proposals for other Executive Directors;
- (j) To form a view in respect of service contracts that require shareholders' approval and advise shareholders of the Company (other than shareholders who are Directors with a material interest in the service contracts and their associates) as to whether the terms are fair and reasonable, advise whether such contracts are in the interests of the Company and its shareholders as a

whole and advise shareholders on how to vote;

- (k) The chairman of the Remuneration Committee or in his absence, another Member or failing this his duly appointed delegate, to be available to answer questions at the annual general meeting;
- (l) To 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; and
- (m) To review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

## **F. Reporting procedures**

- F.1 The secretary of the Remuneration Committee shall circulate the minutes of Remuneration Committee meetings, reports of the Remuneration Committee and relevant information to all Directors.
- F.2 The Remuneration Committee should 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).

### *Definitions:*

“Board”	:	board of Directors
“CEO”	:	chief executive officer of the Company
“Company”	:	Sino Oil and Gas Holdings Limited
“Director(s)”	:	director(s) of the Company
“Listing Rules”	:	the Rules Governing the Listing of Securities on the Stock Exchange
“Member(s)”	:	member(s) of the Remuneration Committee
“Remuneration Committee”	:	remuneration committee of the Company
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited