# TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE UNDER THE BOARD OF DIRECTORS OF SINOPEC ENGINEERING (GROUP) CO., LTD.

(Approved by resolution at the tenth meeting of the fifth session of the board of directors of the Company in 2025)

## 1 General Provisions

**1.1** These terms of reference (these "**Terms**") are formulated by SINOPEC Engineering (Group) Co., Ltd. (the "**Company**") for the remuneration committee (the "**Committee**") under its board of directors (the "**Board**") in accordance with and by reference to the Articles of Association of SINOPEC Engineering (Group) Co., Ltd. (the "**Articles**"), the Company Law of the People's Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and other relevant regulations as well as taking into account the actual situation of the Company, in order to set down the composition, responsibilities and rules of procedure of the Committee.

**1.2** The Committee is a committee specifically established by and is responsible to the Board.

## 2 Composition of the Committee

**2.1** The Committee shall comprise a minimum of three directors, the majority of which shall be independent directors of the Company. The Committee shall appoint a chairperson, who shall be an independent director and appointed by the Board. The Committee may appoint a vice chairperson, who shall also be an independent director and appointed by the Board.

The Committee shall establish an administrative office in the Organisation Department Under the Party Committee (Human Resources Department) of the Company, which shall be responsible for undertaking the daily business of the Committee.

**2.2** Members of the Committee shall be nominated by the Chairman of the Board, or by a majority of the independent directors, or by one-third or more of all directors, and shall be appointed by the Board.

**2.3** The term of office of a member of the Committee shall be the same as the term of office of his/her directorship. If a member of the Committee ceases to be a director of the Company, such member shall automatically cease to be a member of the Committee. A member may resign prior to the expiry of his/her term of office by submitting a written resignation report to the Board, which shall include a statement of the reason for such resignation and if necessary the matters that should be brought to the attention of the Board. If a member of the Committee is disqualified from acting or his/her resignation has been accepted, the Company shall fill in the vacancy by appointing a successor member in accordance with Articles 2.1 and 2.2 above.

## 3 Duties and Responsibilities of the Committee

**3.1** The Committee shall perform the following duties and responsibilities:

(1) to consider and give advice to the Board on the policy and structure for remuneration (including benefits in kind, pension rights and compensation payments) of the directors and senior management and the procedure for developing the remuneration policy. The procedure for developing the remuneration policy shall be formal and transparent;

For the purpose of these Terms, senior management refers to the president, vice president, chief financial officer, general counsel, board secretary and other senior management personnel designated by the Board.

(2) to consider and give advice on the Company's performance appraisal policy for the directors and senior management;

(3) to review and approve performance-based remuneration proposals of the management with reference to the Board's corporate goals and objectives;

For the purpose of these Terms, management refers to directors, senior management and other management personnel as designated by the Board.

(4) to determine, as authorised by the Board, or to give advice to the Board, on the remuneration of individual executive directors and senior management;

(5) to give advice to the Board on the remuneration of non-executive directors;

(6) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group when considering the remuneration of the directors and senior management;

(7) to examine the implementation of the Company's remuneration policy for the directors and senior management;

(8) to review and approve the compensation arrangements for the directors and senior management relating to any loss or termination of office and dismissal for misconduct;

(9) to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration;

(10) to review and approve stock incentive plans or other similar share schemes under Chapter 17 of the Listing Rules.

The Committee's costs shall be covered by the budget of the Company. The Committee should consult with the Chairman of the Board and/or the president about their remuneration proposals for other executive directors. When performing its duties, the Committee may engage professional advisors at the reasonable cost of the Company.

The senior management and relevant departments of the Company shall actively provide such necessary information and documents as required by the Committee in a cooperative and supportive manner, and actively cooperate with the work of the Committee.

**3.2** The chairperson of the Committee shall perform the following duties and responsibilities:

(1) to convene and preside over the meetings of the Committee;

(2) to take charge of the daily business of the Committee;

(3) to review, determine and sign the reports and other important documents of the Committee;

(4) to examine the implementation of the opinions and proposals of the Committee which have been approved by the Board;

(5) to report to the Board on behalf of the Committee;

(6) to fulfill such other duties and responsibilities as assigned to the chairperson of the Committee.

If the chairperson of the Committee is unable to or fails to perform his/her duties, the vice chairperson shall perform his/her duties; if the vice chairperson is unable to or fails to perform his/her duties, a member of the Committee who is an independent director as elected by a majority of all members of the Committee shall perform his/her duties.

## 4 Working Practices, Meetings and Rules of Procedure of the Committee

**4.1** Working Practices of the Committee

The administrative office of the Committee shall provide the Committee with information in relation to the following matters:

(1) the progress towards the key financial targets and operational objectives of the Company;

(2) the scope of work of each director and member of senior management of the Company, and the performance of their primary responsibilities;

(3) the progress towards the targets involved in the performance review system for directors and senior management;

(4) the basis for estimation and calculation relating to the formulation of remuneration distribution plan and distribution method based on the performance of the Company.

The Committee shall consider the Company's policy and structure and the procedure for developing policy for remuneration, as well as perform such other duties described in Article 3.1 above based on the information provided by the administrative office of the Committee.

**4.2** Meetings and Rules of Procedure of the Committee

(1) The meetings of the Committee shall be convened when necessary upon the proposal by the chairperson or a majority of all members of the Committee;

(2) The meetings of the Committee shall be convened, and the notice thereof shall be issued, by the chairperson. The notice of the meeting and meeting documents shall be delivered to all members of the Committee at least five days before the date of the meeting. Subject to the consent of all members of the Committee, the foregoing requirement of notification period may be waived;

(3) The quorum for a meeting of the Committee requires the presence of a majority of all members of the Committee (including those represented by another member with a written proxy). Any resolution or advice of the Committee is subject to the approval by a majority of the members present at the meeting. All resolutions and advice of the Committee shall be signed by all of its members present at the meeting. Each member of the Committee shall have one vote;

(4) Members of the Committee shall abstain from discussing and voting in respect of topics in which they are involved.

**4.3** The resolution or advice adopted at meetings of the Committee shall be reported to the Board.

**4.4** The Committee shall keep minutes of its meetings, which shall be signed by the members of the Committee present at the meetings.

**4.5** The administrative office of the Committee shall be responsible for preparing and keeping all meeting documents and data.

**4.6** Members present at a meeting of the Committee shall keep confidential all the matters discussed at such meeting, and may not disclose such information without authorisation.

**5 Supplementary Provisions**

**5.1** These Terms shall be interpreted by the Committee.

**5.2** In the event of any conflict between these Terms and any provision of relevant regulatory rules, which have been promulgated from time to time, the latter shall prevail.

**5.3** Unless otherwise indicated, the terms used herein shall have the same meanings as those in the Articles.

**5.4** In the event of any discrepancy between the English and Chinese versions of these Terms, the Chinese version shall prevail.

**5.5** These Terms and any amendments hereto shall take effect upon the approval of the Board.