

In the event that there is any discrepancy or inconsistency between the English version and the Chinese version of these terms of reference, the English version shall prevail.

HUAYU EXPRESSWAY GROUP LIMITED

華昱高速集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1823)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1 CONSTITUTION AND OBJECTIVE

1.1 The remuneration committee (the “**Committee**”) has been established pursuant to a resolution passed by the board (the “**Board**”) of the directors (the “**Directors**”) of Huayu Expressway Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) at its meeting held on 30 November 2009. The Committee is a sub-committee of the Board to which the Board has granted authority and delegated consideration of the matters set out in these terms of reference mainly to assist and advise the Board in:–

- (a) overseeing the development and implementation of the framework and policies on the remuneration of Directors and employees of the Group; and
- (b) considering all matters concerning the remuneration and benefits of the Directors and employees of the Group.

2 RESPONSIBILITIES

The responsibilities of the Committee should mainly include:

- (a) make recommendations to the Board on the policy and structure of the Group for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- (b) assess if there are effective safeguards in place to ensure that remuneration policies are aligned with the Group’s regulatory and legal requirements applicable to the Group and make recommendations to the Group and implement the remuneration policies as approved by the Board and periodically review such policies;
- (c) make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. This shall include benefits in kind, pension rights and compensation payments, including benefits in kind, pension rights and compensation payments, and also including any compensation payable for loss or termination of their office or appointment;

- (d) review and approve the management of the Company's remuneration proposals with reference to corporate goals and objectives;
- (e) make recommendations to the Board on the remuneration of non-executive Directors, taking into account such factors as the Committee considers appropriate;
- (f) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (g) review and approve the compensation payable to executive Directors and senior management of the Group for any loss or termination of their office or appointment to ensure that it is consistent with contractual terms and are otherwise fair and not excessive;
- (h) 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;
- (i) ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration;
- (j) review the terms and design, and oversee the implementation and administration, of all share incentive plans and performance related pay schemes or arrangements, and make recommendations to the Board as appropriate; and
- (k) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board.

3 MEMBERSHIP

- 3.1 Members of the Committee (the "**Members**", and each a "**Member**") shall be appointed by the Board from amongst the Directors and shall consist of not less than three Members, a majority of whom shall be independent non-executive Directors.
- 3.2 The Board shall nominate a Member as the chairman (the "**Chairman**"), who must be an independent non-executive Director. The Chairman or in his/her absence, another Member or failing this, his/her duly appointed delegate, shall attend and be available to answer shareholders' questions at the annual general meeting of the Company on Committee's activities.
- 3.3 The appointment of the Members may be revoked, or additional Members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee.
- 3.4 The secretary of the Company shall act as the secretary of the Committee.
- 3.5 The composition of the Committee shall comply with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as amended from time to time.

4 MEETINGS

- 4.1 The Committee shall meet at least once every year. The Chairman may convene additional meetings at his/her discretion.
- 4.2 Unless otherwise agreed by all the Members, a meeting shall be convened by given the Members at least seven (7) days' prior notice. The Committee meeting papers should be circulated to all Members three (3) days before the intended date of a Committee meeting by hand, by post or in electronic forms. Irrespective of the length of notice given, attendance of a Committee meeting by a Member shall be deemed waiver of the requisite length of notice by that Member.
- 4.3 A Member or the secretary of the Company may at any time summon a Committee meeting.
- 4.4 Notice shall be given to each Member orally or in writing or by telephone or by facsimile transmission or email at numbers or addresses from time to time notified to the secretary of the Company by such Member or in such other manner as the Members may from time to time determine.
- 4.5 Any notice given orally shall be followed by confirmation in writing provided by the relevant Member before the meeting.
- 4.6 The quorum of the Committee meeting shall be two Members. Decision shall be determined by simple majority of votes of the Members present and, in the event of a tie, the Chairman shall have the casting vote. The Chairman or Member shall abstain from voting or should not discuss or give any opinions or recommendations in the Meeting when the Committee meeting is to determine and discuss his/her remuneration package.
- 4.7 Members may participate in the Committee meetings by telephone or video conference or electronic or other communications facilities provided that each member can hear and be heard by all other Members throughout the meeting and such participation shall constitute presence for purposes of the quorum provision as set out in paragraph 4.6 above.
- 4.8 Members present in a Committee meeting may elect any one Member to chair the meeting provided that the Chairman is not present within half an hour from the time of the intended Committee meeting to be convened and held.
- 4.9 The secretary of the Company shall circulate the draft minutes of the meetings of the Committee to all Members for their comment within a reasonable time. Final minutes and reports of the meetings and all written resolutions of the Committee shall be sent to all Members for their records within a reasonable time after the meetings.
- 4.10 Resolutions may be passed and signed by all Members in writing in lieu of convening a Committee meeting and such resolutions shall be as valid and effectual as if they had been passed at a meeting of the Committee duly convened and held.

- 4.11 Full minutes of the meetings of the Committee and written resolutions of the Committee should be kept by the secretary of the Company and shall be open for inspection at any reasonable time on reasonable notice by any Director.
- 4.12 At the invitation of the Committee, other Directors, external advisers and other persons may attend all or part of any meeting of the Committee. However, only Members are entitled to vote at the meetings.

5 AUTHORITIES AND DUTIES

- 5.1 The Committee has the authority delegated to it from the Board to deal with the matters set out in these terms of reference. It is further authorized to seek and have access to any information, record or report from any employees of the Group in order to perform its duties and request any employee to attend Committee meetings and answer questions as and when required and all employees are directed to cooperate with the Committee.
- 5.2 The Committee may delegate to the Chairman authority to make decisions on matters which may need attention between Committee meetings, with such decisions to be reported or ratified in the next meeting of the Committee.
- 5.3 The Committee shall be provided with sufficient resources to discharge all of its responsibilities.
- 5.4 The Committee shall have access to independent legal or other professional advice, at the expense of the Company, if necessary, on any matters within these terms of reference.
- 5.5 The Committee shall consult the chairman of the Board and/or chief executive officer about their proposals for other executive Directors.
- 5.6 The Company shall review and evaluate the performance of the Committee and these terms of reference to ensure that it is operating at maximum effectiveness, and recommend any changes it considers appropriate for the Board's approval.

6 REPORTING PROCEDURES

- 6.1 The Committee shall report to the Board formally on a regular basis and present a report of the Committee to the Board at least once a year. At the next Board meeting following a meeting of the Committee, the Chairman shall report to the Board on Committee's findings and recommendations on matters within its remit.
- 6.2 Where the Board resolves to approve any remuneration or compensation arrangements with which the Committee disagrees, the Board shall disclose the reasons for its resolution in the Company's next corporate governance report.

7 CONTINUING APPLICATION OF THE ARTICLES OF ASSOCIATION

The amended and restated articles of association of the Company (the “**Articles of Association**”) 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.

8 POWERS OF THE BOARD

The Board may, subject to compliance with the Articles of Association and the Listing Rules (including the Corporate Governance Code in Appendix 14 thereto), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments 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 or revoked.

Revised and adopted by the Board on 11 November 2022.