



## **DENOX ENVIRONMENTAL & TECHNOLOGY HOLDINGS LIMITED**

### **迪諾斯環保科技控股有限公司**

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

(hereafter the “**Company**”)

(**Stock Code: 1452**)

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

##### **1. Members**

- 1.1 The remuneration committee of the Company (the “**Remuneration Committee**”) should be established by the board of directors of the Company (“**Board**”).
- 1.2 The majority of Remuneration Committee members (“**Members**”) must be independent non-executive directors.
- 1.3 The Remuneration Committee must be chaired by an independent non-executive director within the Remuneration Committee and appointed by the Board.
- 1.4 The terms of appointment to the Members are determined by the Board at the appointment date.

##### **2. Secretary**

- 2.1 The company secretary, any joint company secretary of the Company or his/her delegate shall act as the secretary of the Remuneration Committee.
- 2.2 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.

### **3. Meeting**

- 3.1 The Remuneration Committee should meet at least once a year.
- 3.2 Notice of at least 14 days should be given for any meeting, unless such notification is waived by all Members. Notwithstanding the notification period, the attendance of the Members at the meeting would be deemed to be treated as the waiver of the required notification requirement. If a follow-up meeting takes place within 14 days after the meeting, then no notification is required for such follow-up meeting.
- 3.3 The quorum necessary for the transaction of business of the Remuneration Committee shall be any two Members, one of whom must be an independent non-executive director. Either present in person or by means of telephone conference or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.
- 3.4 Meeting can be attended in person or via electronic means including telephone or videoconferencing. The Members 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).
- 3.5 Resolutions of the Remuneration Committee shall be passed by more than half of the Members.
- 3.6 A resolution passed and signed by all Members is valid, and the validity is same as any resolution passed in the meeting held.
- 3.7 Full minutes of Remuneration Committee meeting should be kept by a duly appointed secretary of the Remuneration Committee and be available for review by the directors. Draft and final versions of minutes of the meeting should be sent to all Members for their comment and records within a reasonable time after the meeting.
- 3.8 Any member can call for a meeting anytime when it is necessary.

### **4. Meeting attendance**

- 4.1 Upon invitation from the Remuneration Committee, the chairman or chairlady of the Board (if he/she is not a member of the audit committee of the Company) and/or the general manager or the chief executive officer, the chief financial officer, external advisor and the other persons can be invited to attend all or part of any meeting.
- 4.2 Only the Members can vote in the meeting.

## **5. Annual General Meeting**

- 5.1 The chairman or chairlady of the Remuneration Committee or (if absent) the other member of Remuneration Committee (who must be an independent non-executive director) should attend the annual general meeting of the Company, handle the shareholders' enquiry on the activities and responsibilities related to the Remuneration Committee.

## **6. Duties and Powers**

The Remuneration Committee shall have the following duties and powers:

- 6.1 to make recommendations to the Board on the Company's policy and structure for the remuneration of all directors' and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- 6.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 6.3 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;
- 6.4 to make recommendations to the Board on the remuneration of non-executive directors;
- 6.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- 6.6 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;
- 6.7 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; and
- 6.8 to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration.

## **7. Reporting**

7.1 The Remuneration Committee shall report to the Board after each of its meetings.

## **8. Authority**

8.1 The Remuneration Committee should consult the chairman or chairlady of the Board and/ or the chief executive about their remuneration proposals for other executive directors and senior management.

8.2 The Remuneration Committee is authorised to request the senior management of the Company to provide any required resources or information related to the remuneration package to perform its duties.

8.3 The Remuneration Committee should have access to independent professional advice at the expense of the Company if necessary, in order to fulfill his/her responsibility of being the Member.

Remark: The independent professional advice can be sought via the chief financial officer or the company secretary or a joint company secretary.

8.4 The Remuneration Committee should be provided with sufficient resources to perform its duties.

Remark: “Senior management” refers to the same persons referred to in the Company’s annual report. It is the responsibility of the directors of the Company to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries, heads of divisions, departments or other operating units within the Group as, in the opinion of the Company’s directors, is appropriate.

8.5 To review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

8.6 The Remuneration Committee should exercise other authorities set out in the relevant code provisions (amended from time to time) of the Corporate Governance Code (the “CG Code”) as contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

8.7 The Remuneration Committee should 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.