

SHANDONG HI-SPEED HOLDINGS GROUP LIMITED

山高控股集團有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 412)

(the “**Company**”, together with its subsidiaries, the “**Group**”)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

(Revised and adopted by the Board on 30 December 2022)

1. MEMBERSHIP

- 1.1 Members of the Remuneration Committee (the “**Committee**”) shall be appointed by the board (the “**Board**”) of directors of the Company (the “**Directors**”) from amongst the Directors and shall consist of not less than three members, a majority of whom should be independent non-executive Directors as required under rule 3.25 of the Rules (the “**Listing Rules**”) Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).
- 1.2 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. An appointment of a member shall be automatically revoked if such member ceases to be a Director.
- 1.3 The chairman of the Committee shall be appointed by the Board and must be an independent non-executive Director.
- 1.4 The company secretary of the Company shall be the secretary of the Committee (the “**Secretary**”). The Committee may from time to time appoint any other person with appropriate qualification and experience as the Secretary.

2. PROCEEDINGS OF THE COMMITTEE

2.1 Frequency of meetings

The Committee members shall hold at least one meeting in a year. Additional meetings may be held as and when required.

2.2 Notice

2.2.1 Notice of any meetings has to be given at least three days prior to any such meeting being held, unless all members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a member shall be deemed waiver of the requisite length of notice by the member. Notice of any adjourned meetings is not required if adjournment is for less than fourteen days.

2.2.2 A member may, and at the request of a member, the Secretary shall, at any time summon a meeting. Notice shall be given to each member either orally in person or in writing or by telephone or facsimile transmission or electronic mail at the telephone number or facsimile number or address or email address from time to time notified to the Secretary by such member or by such other means as the members may from time to time determine. Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.

2.2.3 Notice of meeting shall state the purpose, time and place of the meeting. An agenda together with other documents which may be required to be considered by the Committee members for the purposes of the meeting should generally be delivered to all Committee members three days before the intended date of the Committee meeting (or such other period as all the Committee members may agree).

2.3 Quorum

The quorum of the Committee meetings shall be two members of the Committee.

2.4 Voting

Each resolution at a meeting of the Committee shall be determined by a majority of votes of the Committee members present. In case of an equality of votes, the chairman of the meeting shall have a casting vote.

2.5 Mode of participation

2.5.1 Meetings could be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment or through electronic means of communications by means of which all persons participating in the meeting are capable of hearing each other.

2.5.2 The Secretary shall keep record of individual attendance of members of the Committee, on a named basis, at meetings held during that financial year.

2.6 Written resolutions

A resolution in writing signed by all the Committee members shall be as valid and effectual as if it had been passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more of the Committee members.

2.7 Minutes

2.7.1 Full minutes of the Committee meetings shall be kept by the Secretary and be available for review by the Directors.

2.7.2 Draft and final versions of minutes of the Committee meetings should be sent to all members for their comment and records respectively, within a reasonable time after the meeting.

2.8 Reporting responsibilities

The Committee shall report to the Board as appropriate and when necessary, unless there are legal or regulatory restrictions on its ability to do so.

3. AUTHORITY

The Committee may exercise the following powers:

- (a) consult the chairman of the Board and/or chief executive officer of the Company about their proposals relating to the remuneration of other executive Directors;
- (b) to investigate any matter within its terms of reference and seek any information it requires from any employee or Directors in order to perform its duties;
- (c) to obtain outside legal or other independent professional advice at the expenses of the Company on any matters within these terms of reference as it considers necessary and to secure the attendance of outsiders with relevant experience and expertise at its meetings; and
- (d) to have access to sufficient resources in order to perform its duties.

4. DUTIES

The duties of the Committee shall be:

- (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) 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. The Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group;

- (d) to review and approve the compensation payable to executive Directors and senior management of the Group in connection with any loss or termination of their office or appointment to ensure that such compensation is consistent with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;
- (e) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are consistent with relevant contractual terms and are otherwise reasonable and appropriate;
- (f) to ensure that no Director or any of his/her associates (as defined in the Listing Rules) is involved in deciding his/her own remuneration;
- (g) to advise shareholders of the Company with respect to any service contracts of Directors that require shareholders' approval under the Listing Rules;
- (h) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and
- (i) to address and deal with such other matters as the Board may from time to time delegate to it.

5. ANNUAL GENERAL MEETING

The chairman of the Committee or in his absence, another member of the Committee or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to answer questions at the annual general meeting on the Committee's activities and their responsibilities.

6. PUBLICATION OF THE TERMS OF REFERENCE OF THE COMMITTEE

The Committee shall make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the websites of the Company and the Stock Exchange.

– The end –

Note 1: If there is any inconsistency between the English and Chinese versions of this document, the English version shall prevail.

Note 2: These terms of reference were adopted on 8 March 2006 and revised on 26 March 2012, 16 May 2018 and 30 December 2022.