

# Broad Greenstate International Company Limited

## 博大綠澤國際有限公司

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

### Terms of Reference for Remuneration Committee

#### Constitution

1. The Board has established a committee known as the Remuneration Committee (“Committee”).

#### Composition

2. Members shall be appointed by the Board from amongst the executive directors and non-executive directors of the Company and shall consist of not be less than three members, a majority of whom should be independent non-executive directors. At least two members shall attend Committee meetings.
3. The initial term of a member shall be three years, which may be extended by the Board.
4. The initial members of the Committee are:

Wang Xiaohong (*Chairman*)

Dai Guoqiang

Zhu Wen

5. The chairman of the Committee shall be appointed by the Board, and be an independent non-executive director. In his absence, members present shall elect any one of the members to chair a Committee meeting.

#### Attendance at meetings

6. Only members of the Committee have the right to attend the Committee meetings. However, other individuals may be invited by the Committee to attend all or part of any Committee meetings, as and when appropriate. The Company secretary or his/her delegate or such other person as appointed by the chairman of the Committee shall be the secretary of the Committee (“Secretary”).

#### Frequency and procedures of meetings

7. Meetings shall be convened at least once a year or as requested by the director responsible for human resources function or the Board or the chairman of the Committee to consider and review the remuneration policies of the Company and make recommendations to the Board.

8. Unless otherwise agreed, notice of each meeting shall be given to each member of the Committee and any other person required to attend no later than seven days prior to the date of the meeting, on which the venue, time and date to hold the meeting, together with an agenda of the issues to be discussed shall be stated. Other supplemental documents shall be forwarded to the members of the Committee in the meantime.
9. Unless amended with these terms of reference or by a resolution of the Committee, the procedures of the Committee's meetings shall proceed in accordance with the provisions of the Articles of Association in respect of the procedures for meetings of directors.
10. Resolutions of the Committee meetings shall be passed by vote of two-third or more of the entire members of the Committee, each of whom shall have one vote. Vote in respect of resolutions of the Committee meetings shall be taken by a show of hands or a poll.
11. The members may adopt from time to time the procedures governing the convening of the Committee meetings, the means and procedure for the passing of resolutions at meetings of the Committee.

### **Authority**

12. The Committee should make consultation with the chairman and recommendations regarding the remuneration of other executive directors.
13. The Committee is authorized by the Board to deal with 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 Committee.
14. The Company shall provide the Committee with sufficient resources to enable it to perform its duties. The Committee is authorized by the Board to obtain outside legal or other independent professional advice at the expense of the Company and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.
15. The Committee may from time to time seek advice from special personnel consulting organization to ensure that the Board keeps abreast of the market trends and practices.

### **Communication**

16. The Remuneration Committee shall have sufficient means for communication with the management and may invite management personnel or other persons to attend its meetings. It may also consult with the chairman and/or the chief executive officer of the Company for advice regarding the remuneration of other executive directors.

## Duties

17. The duties of the Committee shall be:
- (a) to make recommendations to the Board on the Company's policy and structure of the remuneration of the directors and the senior management 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 determine, with delegated responsibility from the Board, the remuneration packages of individual executive directors and senior management, including benefits in kind, provident/retirement benefits 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 the non-executive directors;
  - (e) to consider remunerations paid by comparable companies, time commitment, responsibilities and employment conditions of other positions elsewhere in the Group;
  - (f) to review and approve compensation payable to the executive directors and senior management for any loss or termination of their 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/her associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") (including any subsequent amendments thereof)) is involved in deciding his own remuneration; and
  - (i) with respect to any service contracts of directors that require the shareholders' approval under Rule 13.68 of the Listing Rules, to advise the shareholders as to whether the terms are fair and reasonable, whether such contracts are in the interests of the Company and its shareholders as a whole, and as to how to vote.
18. In determining any specific remuneration package, the Committee shall take into consideration various factors such as salaries paid by comparable companies, time commitment from and responsibilities of the directors, and employment conditions of other positions elsewhere in the Group.

## **Other matters**

19. The chairman of the Committee, in consultation with the Secretary of the Committee, should be primarily responsible for drawing up and approving the agenda of each Committee meeting. The chairman of the Committee, with the assistance of the Secretary, shall ensure that all members shall have sufficient information in a timely manner to enable effective discussion at a Committee meeting and be briefed on the issues raised at each Committee meeting.
20. The Secretary shall record minutes of all duly convened meetings of the Committee. All minutes shall record in sufficient detail the matters considered, decisions reached or recommendations made by the Committee and any concerns raised by any member including dissenting views of any member. The Secretary shall circulate the draft and final versions of the minutes of meetings and reports of the Committee to all members for comments and records within a reasonable time after each meeting.
21. The chairman of the Committee shall report at the forthcoming regular Board meeting any key decisions and recommendations made by the Committee and shall table before the Board an index of meetings and issues discussed unless there are legal or regulatory restrictions on its ability to do so, such as restrictions on disclosure by regulatory requirement.
22. The Committee should make available its terms of reference explaining its role and the authority delegated to it by the Board.
23. The Committee shall be provided with sufficient resources to perform its duties.
24. Unless otherwise defined, terms and expressions used herein shall have the same meanings as defined in the corporate governance practice manual of the Company.