

# Sino-Synergy Hydrogen Energy Technology (Jiaxing) Co., Ltd.

## Rules of Procedure for the Remuneration Committee of the Board of Directors

### Chapter 1 General Provisions

- Article 1 For the purpose of standardizing the appointment of leadership of Sino-Synergy Hydrogen Energy Technology (Jiaxing) Co., Ltd. (the “**Company**”), optimizing the composition of the Board, establishing and improving the appraisal and remuneration management system for directors (including independent non-executive Directors) and senior management of the Company, and improving the corporate governance structure, the Remuneration Committee of the Board of Directors has been established, and the Rules of Procedures have been formulated in accordance with 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 “**Hong Kong Listing Rules**”), the Articles of Association of Sino-Synergy Hydrogen Energy Technology (Jiaxing) Co., Ltd. (the “**Articles of Association**”), the Rules of Procedure for the Board of Directors of Sino-Synergy Hydrogen Energy Technology (Jiaxing) Co., Ltd. (the “**Rules of Procedure for the Board**”) as well as other relevant requirements.
- Article 2 The Remuneration Committee is a special committee established under the Board, and shall exercise its powers and functions in accordance with the Articles of Association and within the terms of reference approved by the Board. It primarily takes charge of formulation of the evaluation criteria of the Company’s directors and the senior management and the evaluation thereof, and is responsible for formulating and reviewing the remuneration policies and remuneration packages of the Company’s directors and the senior management, and the Remuneration Committee will report to the Board.
- Article 3 The Rules of Procedure clarifies the scope of remuneration and evaluation within the Company for individuals who receive salaries as chairman of the Board, vice chairman of the Board, director, general manager and deputy general manager appointed by the Board, secretary to the Board, and other senior management members as determined by the Board at the request of the general manager.

### Chapter 2 Composition

- Article 4 The Remuneration Committee shall comprise no less than three directors and a majority of whom shall be independent non-executive directors.
- Article 5 Members of the Remuneration Committee shall be elected by Board.
- Article 6 The Remuneration Committee shall have a Chairman, who shall be an independent non-executive Director, take charge of daily operations of the Remuneration Committee and be appointed by the Board.

Article 7 Members of the Remuneration Committee shall have the same term of office as the directors. The members may be re-elected upon the expiration of the term of office. If a member ceases to be a director of the Company or becomes unable to continue to serve as a director, he/she shall be disqualified as the member automatically, or if a member who shall serve as an independent non-executive Director no longer has the independence required by the relevant laws and regulations, the Hong Kong Listing Rules or the Articles of Association within his/her term of office, the vacancy in the committee shall be filled upon the decision of the Board in accordance with Article 5 of the Rules of Procedure.

Article 8 The secretary to the Remuneration Committee shall be the Company secretary, or any person designated by the Remuneration Committee from time to time. The Remuneration Committee sets a working group dedicated to providing information about the Company's operations and relevant information about the evaluated members; it is also responsible for preparing the meetings of the Remuneration Committee and implementing the relevant resolutions of the Remuneration Committee.

### **Chapter 3 Main Duties**

Article 9 The main duties and authorities of the Remuneration Committee include:

- (I) making recommendations to the Board on the Company's policy and structure for directors' and senior management' remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (II) formulating job descriptions for senior management, evaluate the performance of the Company's directors and senior management and conduct performance appraisals on them;
- (III) supervising the implementation of the Company's remuneration policy;
- (IV) reviewing and approving the senior management' remuneration proposals with reference to the Board's corporate policies and objectives;
- (V) recommending to the Board the specific remuneration packages for individual executive directors and senior management, which includes non-pecuniary benefits, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment);
- (VI) advising the Board on the remuneration of non-executive directors;
- (VII) considering the remuneration paid by similar companies, the hours and responsibilities required, and the employment conditions of other positions within the Group;
- (VIII) reviewing and approving the compensation payable to executive directors and senior management for their loss or termination of their duties or appointments to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

- (IX) reviewing and approving the compensation arrangements arising from the dismissal of certain directors or removal of certain directors from office due to the misconduct of the directors, to ensure that the arrangements are in conformity with the terms of the contract or the compensation is reasonable and appropriate;
- (X) ensuring that any director or any of its associates (as defined in the 14A.12 and 14A.15 of the Hong Kong Listing Rules or as amended from time to time) will not participate in determining his/her own remuneration;
- (XI) consulting the chairman and/or the general manager on the remuneration proposals of other executive directors; and
- (XII) performing other duties as authorized by the Board.

Article 10 Pursuant to the provisions set forth in relevant laws, regulations or Hong Kong Listing Rules, and Articles of Association or authorization from the Board, the Remuneration Committee may establish remuneration policy or plan for the supervisors.

Article 11 The Board has the right to reject remuneration plans or schemes that are detrimental to the interests of shareholders.

Article 12 The Remuneration Committee is responsible to the Board. Its proposals shall be submitted to the Board for deliberation. The remuneration plan for the directors of the Company proposed by the Remuneration Committee shall be submitted to the Board for approval and submitted to the general meeting of shareholders for deliberation and approval before implementation. The remuneration distribution plan for the senior management of the Company shall be submitted to the Board for approval before implementation. Proposals on other matters shall be decided after approved by the Board.

Article 13 The chairman of the Remuneration Committee shall attend the Annual General Meeting (or in the absence of the chairman of the Remuneration Committee, another member of the Remuneration Committee or, if that member is unable to attend, his duly appointed representative) and be available to answer questions about the work and responsibilities of the Remuneration Committee.

Article 14 The main responsibilities and authorities of the chairman of the Remuneration Committee include:

- (I) convening and presiding over meetings of the Remuneration Committee;
- (II) taking charge of day-to-day operations of the Remuneration Committee;
- (III) reviewing and signing the reports and other important documents of the Remuneration Committee;
- (IV) checking the implementation of the Remuneration Committee's resolutions and recommendations;
- (V) reporting to the Board on behalf of the Remuneration Committee; and

(VI) other duties to be performed by the chairman of the Remuneration Committee.

If the chairman of the Remuneration Committee is unable to perform his/her duties for any reason, he/she shall designate a member to act in his/her place.

Article 15 The Remuneration Committee is authorized by the Board to investigate any activity within the terms of reference. The Remuneration Committee has the right to obtain any information from any employee, and all employees are required to cooperate regarding any request made by the Remuneration Committee.

Article 16 The Board authorizes the Remuneration Committee to obtain external legal or other independent professional advice at the expense of the Company, and, where appropriate, to request any person with relevant experience or expertise to participate in the Remuneration Committee meetings.

Article 17 The Remuneration Committee shall disclose its terms of reference on the websites of the Company and the Stock Exchange of Hong Kong Limited, explaining its role and the powers delegated to it by the Board.

Article 18 The Company shall disclose in its annual report its policy on directors' remuneration, details of remuneration of senior management and other matters related to remuneration by the level of remuneration.

#### **Chapter 4 Decision-making Procedures**

Article 19 The working group under the Remuneration Committee shall be responsible for making preparatory work for the appraisal of directors and senior management of the Company and providing the following information on the Company:

- (I) completion of the Company's main financial indicators and business objectives;
- (II) the scope of work and main responsibilities of the senior management of the Company;
- (III) completion of the indicators involved in the post-performance evaluation system for directors and senior management;
- (IV) business performance of the directors and senior management in terms of business innovation ability and profit-making ability; and
- (V) the relevant calculation basis for formulating the Company's remuneration distribution plan and distribution method according to the Company's performance.

Article 20 The Remuneration Committee's evaluation procedures for directors and senior management:

- (I) The Company's directors and senior management shall report work and make self-evaluation to the Remuneration Committee under the Board;
- (II) The Remuneration Committee shall evaluate the performance of directors and senior management in accordance with the performance evaluation standards and procedures; and
- (III) The amount of remuneration and reward method for directors and senior management shall be proposed in accordance with the performance evaluation results of the post and the remuneration distribution policies, and shall be submitted to the Board after being approved by voting.

### **Chapter 5 Meeting Procedures**

Article 21 Meetings of the Remuneration Committee are composed of regular meetings and extraordinary meetings. Regular meetings of the Remuneration Committee shall be held at least once a year or at such frequency as required by the Hong Kong Listing Rules or other regulatory requirements applicable to the Company from time to time. Extraordinary meetings shall be held on the proposal of the members of the Remuneration Committee. The chairman of the Remuneration Committee shall be responsible for convening the meetings. If the chairman of the Remuneration Committee is unable to perform the duty for any reason, the meetings shall be convened by other members designated by the chairman of the Remuneration Committee; if the chairman of the Remuneration Committee does not designate an agent, the meetings shall be convened by another member of the Remuneration Committee.

The Remuneration Committee shall convene an extraordinary meeting under any of the following circumstances:

- (I) when proposed by the Board;
- (II) when proposed by the chairman of the Remuneration Committee;
- (III) when proposed by more than two members; and
- (IV) when proposed by the chairman of the Board.

Article 22 A meeting of the Remuneration Committee shall be held only when attended by more than two-thirds of the members. A meeting of the Remuneration Committee shall be attended by members in person or by teleconference or with the help of similar communication equipment. If any member is unable to attend the meeting for any reason, he/she may authorize in writing another member to attend the meeting and vote thereat on his/her behalf. Where a member authorizes another member to attend the meeting, he/she shall deliver a written power of attorney stating the authority of the authorized member. A member who neither attend in person nor authorize another member to attend on his/her behalf shall be regarded to have waived his/her right to vote thereat.

- Article 23 Regular meetings shall be notified to members and other participants at least three days before the meeting (excluding the day of the meeting), and extraordinary meetings shall be notified to members and other participants two days before the meeting (excluding the day of the meeting), and agenda materials shall be sent to members in a timely manner. Where the Remuneration Committee needs to convene a meeting as soon as possible under any urgent circumstances, the notice of the meeting can be sent by telephone, fax or e-mail on the same day, but the chairman of the Remuneration Committee shall make an explanation at the meeting.
- Article 24 Each Remuneration Committee member shall be entitled to one vote. Voting opinions are divided into three categories: agreement, abstention, and disagreement. Those who disagree should indicate their reasons for doing so. Resolutions put forward at the Remuneration Committee meetings shall be approved by more than half of all the members. A member shall be excused from voting on the matters if he/she has a related party relationship in respect of such matters.
- Article 25 Voting at meetings of the Remuneration Committee shall be conducted by a show of hands or by poll; extraordinary meetings may be held by voting through correspondence.
- Article 26 When the Remuneration Committee discusses a proposal relating to relevant members, they shall avoid the discussion. When necessary, the Remuneration Committee can invite the directors, supervisors, general manager and other senior management members of the Company to attend the meeting as non-voting attendees.
- Article 27 The holding procedures of the Remuneration Committee meeting, the voting methods and the resolutions passed by the meeting shall comply with the relevant laws, regulations, the Hong Kong Listing Rules, Articles of Association and the Rules of Procedure.
- Article 28 Written minutes shall be made for the Remuneration Committee meetings and signed by the members attending the meeting. Minutes of the Remuneration Committee meetings shall be kept by the secretary to the Remuneration Committee. If reasonably notified by any director, the secretary shall make them available for inspection at any reasonable time. After a meeting of the Remuneration Committee, the first draft and the final draft of the meeting minutes shall be sent to all of its members within a reasonable period of time.
- Article 29 Unless restricted by legal or regulatory restrictions, the recommendations, motions and voting results adopted by the Remuneration Committee at its meetings shall be reported in writing to the Board.
- Article 30 For any resolutions that have not been published and the agenda of meeting that needs to be kept confidential, the participants shall not disclose them.

## **Chapter 6 Miscellaneous**

- Article 31 The terms “above”, “at least” and “over” in the Rules of Procedures include the number following them.
- Article 32 The Rules of Procedures shall be effective from the date of the initial public offering and listing of H shares of the Company in Hong Kong after it has been considered and approved by the Board meeting.
- Article 33 Matters not covered herein shall be implemented in accordance with relevant Chinese laws and regulations, the Articles of Association, the Hong Kong Listing Rules and other applicable laws and regulations of Hong Kong. In case of any conflict between the Rules of Procedures and the laws and regulations promulgated in the future, the Articles of Association modified through legal procedures, or the Hong Kong Listing Rules amended from time to time, the relevant laws and regulations, the Articles of Association and the Hong Kong Listing Rules shall prevail, and the Rules of Procedures shall be revised in a timely manner and submitted to the Board meeting for consideration and approval.
- Article 34 Interpretation right of the Rules of Procedure shall be reserved to the Board of the Company.