

**REPT BATTERO Energy Co., Ltd.**

**TERMS OF REFERENCE OF THE REMUNERATION AND  
APPRAISAL COMMITTEE OF THE BOARD OF DIRECTORS**

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#### **CHAPTER 1 GENERAL PROVISIONS**

- Article 1** These terms of reference are established by REPT BATTERO Energy Co., Ltd. (the “Company”) for the Remuneration and Appraisal Committee (the “Committee”) under its board of directors in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Articles of Association of REPT BATTERO Energy Co., Ltd. (the “Articles of Association”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant laws, administrative regulations and regulatory documents in order to further establish and refine the appraisal and remuneration management system of the Board and the senior management.
- Article 2** The Remuneration and Appraisal Committee is a body of the Board specifically set up by the Board in accordance with resolutions of general meetings, and is mainly responsible for the review, supervision and execution of the remuneration system and performance appraisal system which is with binding and incentivizing purposes, proposals to the Board regarding the remuneration system, the appraisal system and the incentive scheme, and the evaluation of the performance and actions of directors and senior management.
- Article 3** These Terms shall apply to the Committee and relevant personnel and departments involved in these Terms.

#### **CHAPTER 2 COMPOSITION**

- Article 4** The Remuneration and Appraisal Committee shall comprise of at least three directors, of which the majority shall be independent non-executive directors.
- Article 5** The chairman and members of the Remuneration and Appraisal Committee shall be appointed and removed by the Board in accordance with the procedures provided in laws and regulations, listing rules of the stock exchange where the Company’s shares were listed and the Articles of Association.
- Article 6** The Remuneration and Appraisal Committee shall have one chairman, who shall be the convener. The chairman shall be elected among the members who are independent non-executive directors and shall be responsible for presiding over the work of the Remuneration and Appraisal Committee.
- Article 7** The term of office of the Remuneration and Appraisal Committee shall correspond to the term of office of the Board. Members of may serve consecutive terms if re-elected. In the event that during the term a member ceases to be a director of the Company, his/her membership shall lapse automatically. A member may submit resignation to the Board before the expiration of his/her term of office. Such resignation report shall specify reasons for the resignation and any matters which would require the attention of the Board of the Company. Adjustments to members of the Committee may be made during their term of office by the Board as and when proposed by the chairman of the Board and discussed and approved by the Board. When the number of the Committee members falls below the required number under these Terms, the Board shall appoint additional members in accordance with these Terms to fill the vacancies. The term of office of such additional members will expire as their term of office as directors expires.

### CHAPTER 3 DUTIES AND RESPONSIBILITIES

**Article 8** The main duties and powers of the Remuneration and Appraisal Committee include:

- (1) making recommendations to the Board regarding the remuneration policy and structure for all directors and senior management and formal and transparent procedures to establish such remuneration policies;
- (2) making recommendations to the Board on the remuneration packages of all executive directors and senior management or to determine, with delegated responsibility, the remuneration packages of executive director and senior management. Such remuneration packages shall include benefits in kind, pension rights and compensation payments (including compensation for loss or termination of their office or appointment). Also, the Committee shall be responsible for supervising the implement of the remuneration system of the Company;
- (3) making recommendations to the Board regarding the remuneration of non-executive directors;
- (4) considering remunerations paid by of comparable companies, time commitment and responsibilities, and the employment conditions of other positions of the Company and its subsidiaries;
- (5) reviewing and approving recommendations on the remuneration of senior management with reference to the Board's corporate goals and objectives;
- (6) reviewing and approving compensation to executive directors and senior management in relation to loss or termination of office or appointment to ensure that such compensation is consistent with contractual terms and is otherwise fair and not excessive;
- (7) reviewing and approving compensation arrangements related to dismissal or removal of directors for misconduct to ensure such arrangement is consistent with contractual terms and is otherwise fair, reasonable and appropriate, and not excessive;
- (8) ensuring that no director or any of his/her associates (defined as Hong Kong Listing Rules) is involved in deciding his/her own remuneration;
- (9) reviewing and/or approving the issues of the relevant share plan described in the Chapter 17 of the Hong Kong Listing Rules;
- (10) responsible for the inspection of the implementation of the remuneration provisions of the Company and regularly reviewing the relevant remuneration policies; and
- (11) other duties required or authorized by the relevant regulatory rules of the place where the Company is listed, including the laws and the regulations and the Hong Kong Listing Rules, these Terms and the Board.

**Article 9** The main duties and powers of the chairman of the Remuneration and Appraisal Committee include:

- (1) convening and chairing the meetings of the Committee, signing and issuing the resolutions of the meetings;
- (2) proposing the convening of extraordinary meetings;
- (3) heading the Committee and ensuring its effective operation and performance of duties;
- (4) ensuring that a clear conclusion is drawn for each topic discussed by the Committee, such conclusion may be pass, rejection or deferral (to be reconsidered with supplementary materials);
- (5) determining the agenda of each Committee meeting;
- (6) ensuring that all members present at the Committee meeting are informed of the matters to be discussed at such meeting and that every member is provided with complete and reliable information; and
- (7) other duties required or authorized by the relevant regulatory rules of the place where the Company is listed, including the laws and the regulations and the Hong Kong Listing Rules, these Terms and the Board.

**Article 10** The main duties and powers of the members include:

- (1) attending the meetings of the Committee on time and expressing opinions on the matters deliberated at the meetings and exercising their voting rights;
- (2) proposing matters to be deliberated at the meetings of the Committee;
- (3) attending relevant meetings of the Company as non-voting delegates or visitors, conducting surveys and researches and collecting relevant information such as reports, documents and materials for the purpose of discharging their duties;
- (4) fully understanding the duties of the Committee and those of himself/herself as a member of the Committee and acquainting himself/herself with relevant information on the operation and management, business activities and development of the Company to ensure his/her capacity for discharging duties;
- (5) fully ensuring that he/she has sufficient working hours and energy to fulfil his/her duties; and
- (6) other duties required or authorized by the relevant regulatory rules of the place where the Company is listed, including the laws and the regulations and the Hong Kong Listing Rules, these Terms and the Board.

**Article 11** The Remuneration and Appraisal Committee shall be accountable to the Board and its proposal should be submitted to the Board for consideration and approval. The Committee shall provide the Board with discussions, materials and information in the forms of reports, proposals and conclusions for consideration and decision-making.

#### **CHAPTER 4 RULES OF PROCEDURE**

**Article 12** The Remuneration and Appraisal Committee shall hold a meeting at least once a year as required by the Board or proposed by the members of the Committee.

The office of the Board of the Company shall notify all members two (2) days before the meeting, however, the above notice period can be exempted with the unanimous consent of all members attending the meeting.

All meetings shall be chaired by the chairman of the Remuneration and Appraisal Committee. The chairman can appoint a member to chair the meeting if he/she is not available to attend this meeting.

**Article 13** The notice of the meeting should include the location and time of the meeting, the duration of the meeting, the meeting agenda, and the issues to be discussed, as well as the date of the notice. The notice of the meeting can be delivered by hand, facsimile, e-mail, or registered mail.

**Article 14** Meetings may be held by way of on-site meetings or by means of correspondence meetings. Correspondence meetings include telephone conferences, video conferences and meetings to consider written proposals, etc.

**Article 15** The quorum of a meeting of the Remuneration and Appraisal Committee shall be not less than two-thirds of the members (including proxies in writing authorizing another member to attend the meeting). Each member shall have one vote. A resolution of the meeting shall be passed by more than half of the members.

**Article 16** Voting at the meeting of the Remuneration and Appraisal Committee shall be taken by a show of hands or other voting methods as determined by the chairman.

**Article 17** Directors of the Company and relevant senior management may be invited to attend the meetings of the Remuneration and Appraisal Committee when necessary. Such persons being invited shall give explanations and elaboration on relevant matters at the request of the member(s) of the Committee. The directors of the Company who are not a member of the Committee may attend the Committee meetings in non-voting capacity.

**Article 18** The Remuneration and Appraisal Committee may appoint intermediaries when necessary to provide professional opinions thereto at the expense of the Company.

**Article 19** The convening procedures, voting methods and resolutions to be approved at the meetings of the Remuneration and Appraisal Committee shall comply with the relevant laws, regulations, the listing rules of the stock exchange where the Company's shares are listed, the Articles of Association, and these Terms.

**Article 20** The Remuneration and Appraisal Committee shall keep minutes of its meetings. The members present at the meeting, the secretary to the Board attending the meeting without voting right shall sign the minutes of the meeting of the Committee. The minutes of the meeting shall be kept by the secretary to the Board of the Company in accordance with the Company's file management system.

**Article 21** Any resolutions passed and the result of any polls taken at a meeting of the Remuneration and Appraisal Committee shall be reported in writing to the Board.

**Article 22** If a member of the Committee is interested in any matter being considered by the Committee, such member shall abstain from voting of such matter.

**Article 23** All persons attending the meetings shall keep all matters discussed at the meetings confidential and shall not disclose any such information without authorization.

**Article 24** All members of the Committee shall attend the meeting in person. If a member is unable to attend the meeting in person, such member shall, by signing and submitting a letter of proxy, authorize another member of the Committee to attend and express opinion at the meeting on his/her behalf. Such letter of proxy shall expressly state the scope and term of the authorization. Any member shall not accept appointments of proxy by more than two members simultaneously.

The member attending a meeting on behalf of another member shall exercise the rights within the scope of authorization. If a member does not attend a meeting in person or authorize another member to exercise the rights on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting, he/she shall be deemed to have waived his/her rights.

A member who is unable to attend a meeting in person may also exercise his/her rights by submitting in writing his/her opinion with respect to any matter on the meeting agenda, provided that such written opinion shall be submitted to the office of the Board before the meeting.

**Article 25** If a member does not attend a meeting in person or authorize another member to attend such meeting on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting on two consecutive occasions, or if such member fails to attend in person 3/4 of all meetings held during any year, such member shall be deemed incapable of performing the duties of the Committee, and the Board may replace him/her in accordance with these Terms.

## **CHAPTER 5 COORDINATION AND COMMUNICATION**

**Article 26** In the event that the Remuneration and Appraisal Committee encounters any significant or special matters that require to be considered by the Board for study when the Board is in recess, it may submit a written report to the Board through the secretary to the Board and may propose to the chairman of the Board to convene a Board meeting for discussion.

**Article 27** Any written report submitted by the senior management to the Remuneration and Appraisal Committee shall be signed and issued by the general manager or senior management in charge of the relevant matter and submitted to the Remuneration and Appraisal Committee through the secretary to the Board or the office of the Board.

**Article 28** Written reports submitted by the Remuneration and Appraisal Committee to the Board shall be signed and issued by the chairman or a member authorized by him/her, and shall be submitted to the Board through the secretary to the Board.

**Article 29** In the event that the senior management of the Company encounters any significant or special matter when the Remuneration and Appraisal Committee is in recess, it may submit a written report to the Remuneration and Appraisal Committee through the secretary to the Board or the office of the Board and may propose to the chairman of Remuneration and Appraisal Committee to convene a meeting for discussion.

**Article 30** The Remuneration and Appraisal Committee shall report to the Board by the chairman or a member authorized by him/her on the work since the last regular Board meeting or make a thematic presentation on a particular issue.

**Article 31** The Remuneration Committee shall consult the chairman and/or president about the remuneration proposals for other executive directors. The Remuneration Committee shall have access to independent professional advice if necessary.

## **CHAPTER 6 WORKING BODY OF THE BOARD**

**Article 32** The secretary to the Board of the Company is responsible for organizing and coordinating the work of the Committee and relevant departments. The secretary to the Board may attend the meetings of the Committee.

**Article 33** The office of the Board of the Company and relevant departments of the Company shall cooperate in performing tasks in relation to the Committee.

## **CHAPTER 7 SUPPLEMENTARY PROVISIONS**

**Article 34** These Terms shall take effect from the date of listing of overseas listed foreign shares (H Shares) issued by the Company on the Main board of the Hong Kong Stock Exchange after being considered and approved by the Board of the Company.

**Article 35** Any matters not covered by these Terms shall be implemented in accordance with the provisions of the relevant laws, regulations and regulatory documents of the State, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association. Where there is a conflict between these Terms and the laws, regulations and regulatory documents of the State, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association, these Terms shall be implemented in accordance with the provisions of the relevant laws, regulations and regulatory documents of the State, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.

- Article 36** In these Terms, “at least”, “within” and “below” are inclusive of the principal amount whereas “more than”, “less than”, “other than”, “lower than” and “more than” are exclusive of the principal amount.
- Article 37** The Board shall be responsible for the formation and amendment of these Terms and these Terms shall be interpreted by the Board.
- Article 38** These Terms are available in both Chinese and English. In the event of any inconsistency between the two versions, the Chinese version shall prevail.