



IRICO

彩虹集團新能源股份有限公司

IRICO GROUP NEW ENERGY COMPANY LIMITED*

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 0438)

**Terms of Reference and Organizational Rules of
the Remuneration and Appraisal Committee of
the Board of Directors of
IRICO GROUP NEW ENERGY COMPANY LIMITED**

- Article 1** In order to improve the remuneration determination system for directors and senior management and establish a formal and transparent remuneration determination procedure of IRICO Group New Energy Company Limited* (the “**Company**”), these Terms of Reference and Organizational Rules (the “**Organizational Rules**”) for the Remuneration and Appraisal Committee (the “**Committee**”) of the Board of Directors of the Company are formulated in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Rules Governing the Listing of Securities (the “**Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Articles of Association of the Company for compliance.
- Article 2** The Committee shall have an independent non-executive director as its Chairman and the majority thereof shall be independent non-executive directors. The Company shall, in accordance with the Committee’s request, provide adequate resources for the Committee to fulfill its responsibilities.
- Article 3** Terms of reference of the Committee shall be in accordance with the provisions of the Organizational Rules, unless otherwise provided by law, the Listing Rules or the Articles of Association.
- Article 4** The Company shall put the content of the Organizational Rules at the websites of the Company and the Stock Exchange, to prepare for the query. The aim is to disclose the terms of reference of the Committee and to explain the Committee’s role and the powers granted thereto by the Board of Directors.

Article 5

The terms of reference of the Committee shall be subject to the approval of the Board of Directors and shall be provided in writing. The Committee shall, authorized by the Board of Directors, have the terms of reference as follows:

- (A) to make proposals to the Board of Directors about the remuneration policy and structure for all directors and senior management personnel of the Company and the development of remuneration policy on establishing a formal and transparent procedure;
- (B) to review and approve the proposed remuneration of the management in accordance with the corporate policies and objectives made by the Board of Directors;
- (C) to take responsibility to determine the specific remuneration packages for all executive directors and senior management personnel, including stock option incentive plan, non-monetary benefits, pension rights and compensation (including compensation for the loss or termination of office or appointment) and make remuneration recommendations of non-executive directors to the Board of Directors. The Committee should consider factors including the remuneration paid by comparable companies, time cost and the directors' duties, the terms and conditions of employment of other positions within the Company and whether the remuneration should be determined by performance;
- (D) to review and approve the compensation payment to the executive directors and senior management personnel in case of the loss or termination of their office or appointment, to ensure that such compensation is determined in accordance with relevant terms of the contract; if not determined in accordance with the relevant terms of the contract, compensation shall be otherwise fair and reasonable, without increasing the Company's economic burden;
- (E) to review and approve the compensation arrangements of such directors as are dismissed or removed for misconduct to ensure that such arrangements are consistent with the terms of the contract; if not consistent with the terms of the contract, the compensation payment shall be otherwise reasonable and appropriate;
- (F) to make recommendations to the Board of Directors on the formulation or modification of the stock option incentive plan and the employee share ownership schemes, and on the fulfilment of the conditions for the grant and exercise of interests to the participants; and

(G) to review and/or approve matters relating to share schemes as described in chapter 17 of the Listing Rules.

- Article 6** When the Committee is considering the remuneration of executive directors, the majority of the remuneration shall be ensured to be linked with the operation results of the Company and their individual performance.
- Article 7** The Committee shall ensure the details of the remuneration of the senior management personnel of the Company to be disclosed in its annual report in accordance with the remuneration grade by the Company.
- Article 8** When the members of the Committee deal with matters within the terms of reference thereof, they shall avoid the involvement initiatively, if they own an interest in these matters, or if their involvement may be likely to damage the interests of the Company.
- Article 9** The complete minutes of the Committee's meetings shall be maintained by the duly appointed meeting secretary (typically the secretary to the Board). The initial draft and final version of the minutes shall be circulated to all members of the Committee within a reasonable time after the meeting. The initial draft is for members' review and comments, and the final version is for their records.
- Article 10** The Committee shall meet at least once a year, and may convene a meeting at any time when it is needed.
- Article 11** The Committee shall, if necessary, invite members of management to attend the meeting and provide relevant information.
- Article 12** If the Chairman of the Committee is on leave, unable to convene meetings for good reasons or required to avoid the involvement pursuant to Article 8, the other independent non-executive directors of the Committee designated thereby shall perform the role; in case of no designated agent by the Chairman, one independent non-executive director shall be elected by the other members of the Committee to perform the role. The convening notice of the Committee shall contain the subject matter and shall be served to its members seven days in advance. But in case of emergency situations, there is no such limitation.
- Article 13** The meeting agenda of the Committee shall be set by the Chairman, who also provides motions for the Committee to discuss.

- Article 14** Except otherwise provided by the law, the Listing Rules or the Articles of Association, the resolution of the Committee shall be reached when more than two-thirds of the members of the Committee attend the meeting and the majority of the members present approve. In the process of voting, it shall be deemed adopted, if no objection is shown when consulted by the Chairman of the Committee, with the same effectiveness of affirmative votes.
- If the Board of Directors does not adopt or does not fully adopt the recommendations of the Committee, it shall record the opinion of the Committee and the specific reasons for not adopting in the resolution of the Board of Directors and disclose the same.
- Article 15** The resolution of the Committee shall form minutes of meeting, signed by the directors present at the meeting and the recorder, and the minutes shall be distributed to the members of the Committee within twenty days after the meeting and also submitted to the Board of Directors.
- Article 16** The minutes of meetings shall contain the information of the year, month, day, place or method, the name of the Chairman, resolution procedure, the essentials and the results of proceedings, which shall be saved for more than five years.
- Article 17** The Committee shall consult the chairman of the Board of Directors and/or general manager about the remuneration proposals of other executive directors.
- Article 18** The members of the Committee shall faithfully fulfill the duties provided hereby, be responsible to the Board of Directors and all motions shall be submitted to the Board of Directors for consideration.
- Article 19** The implementation of the Committee's resolutions shall be granted to the Chairman or the other members of the Committee, with written or oral reports submitted to the Committee during the execution.
- Article 20** The Organizational Rules shall be implemented after the consideration and approval of the Board of Directors, so shall its revision.