



**GCL New Energy Holdings Limited**

協鑫新能源控股有限公司

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 451)**

**REMUNERATION COMMITTEE**

**TERMS OF REFERENCE**

**1. Constitution**

- 1.1 The remuneration committee (“Committee”) is a committee of the board (“Board”) of directors (“Directors”) of GCL New Energy Holdings Limited 協鑫新能源控股有限公司 (“Company”).
- 1.2 The Committee will review its terms of reference, performance and constitution occasionally and recommend any changes it consider necessary to the Board for approval in order to fully comply with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other legal requirements.

**2. Membership**

- 2.1 Members of the Committee shall be appointed by the Board and shall comprise of at least three members. A majority of the Committee members shall be independent non-executive Directors.
- 2.2 The chairman of the Committee will be appointed by the Board, who shall be the chairman of the Board or an independent non-executive Director.
- 2.3 The company secretary of the Company shall act as the Secretary of the Committee.

**3. Frequency and proceedings of meetings**

- 3.1 The Committee shall meet at least once every year. Additional meetings shall be held as the work of the Committee demands.
- 3.2 The quorum of a meeting shall be two members of the Committee. Other board members, apart from the Committee members, have the right to attend any Committee meetings, though they shall not be counted in the quorum.

- 3.3 The Committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants to advise its members.
- 3.4 The notice and agenda of any meeting should be given 14 days before the date of the meeting. The Committee meeting papers should be circulated to all members 3 days before the date of meeting by hand, by post or in electronic form. The notice of meeting can be shortened provided all members of the Committee consent to the short notice.
- 3.5 Members may participate in the Committee meetings by telephone or video conference or electronic or other communications facilities provided that each member can hear and be heard by all other members throughout the meeting and such participation shall constitute presence for the purpose of the quorum requirement under article 3.2 hereof.

#### **4. Authority**

- 4.1 The Committee is authorized by the Board to seek any necessary information which is within the Committee's scope of duties from the employees.
- 4.2 The Committee is authorized by the Board to have access to independent professional advice from outsiders if considered necessary.

#### **5. Duties**

- 5.1 The duties of the Committee should include the followings:
  - 5.1.1 to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
  - 5.1.2 to have the delegated responsibility to determine the specific remuneration packages of all executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the board of the remuneration of non-executive Directors. 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 and desirability of performance-based remuneration;
  - 5.1.3 to review and approve performance-based remuneration, including management's remuneration proposals, with reference to corporate goals and objectives resolved by the Board;

- 5.1.4 to review and approve the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive to the Company;
- 5.1.5 to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
- 5.1.6 to ensure that no Director or any of his associate is involved in deciding his own remuneration; and
- 5.1.7 the Committee shall advise shareholders on how to vote with respect to any service contracts of Directors that require shareholders' approval under Rule 13.68 of the ("Listing Rules").

("Senior management") refers to the same category of persons as referred to in the Company's annual report. It is the responsibility of the Directors of the Company to determine which individual or individuals constitute senior management. Senior management may include Directors of subsidiaries, heads of departments or other operating units within the group as, in the opinion of the Directors, is appropriate.

## **6. Reporting Procedures**

- 6.1 Minutes of meetings of the Committee should record in sufficient detail the matters considered and decisions reached, including any concerns raised by Committee members or dissenting views expressed. Draft and final versions of minutes of the meetings of the Committee should be sent to all Committee members for their comment and records, within a reasonable time after the meeting.
- 6.2 The chairman of the Committee shall report to the Board and present the findings and the recommendation(s) of the Committee to the Board on a regular basis. Without prejudice to the generality of the duties of the Committee set out in these terms, the Committee shall report back to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as restriction on disclosure due to regulatory requirements).
- 6.3 Full minutes of the meetings of the Committee should be kept by the secretary of the Committee, and such minutes should be open for inspection at any reasonable time on reasonable notice by any Director.

**7. Language**

- 7.1 In case of any inconsistency between the English and Chinese versions of these terms of reference, the English version will prevail.