



## Sinotruk (Hong Kong) Limited

*(a company incorporated in Hong Kong with limited liability)*

(Stock Code: 3808)

(the “Company”)

### Remuneration Committee – Terms of Reference

#### 1. Members

1.1 The remuneration committee of the Company (the “**Remuneration Committee**”) should be appointed by the board of directors of the Company (the “**Board**”). The majority of the members of the Remuneration Committee (the “**Members**”) shall be independent non-executive directors of the Company (the “**INED**”) and the chairman shall also be an INED.

1.2 The term of office of the Member shall be the same as that of the Board.

#### 2. Secretary

2.1 The Remuneration Committee shall have a secretary who shall be responsible for the tasks delegated by the Remuneration Committee and its chairman.

#### 3. Meetings

3.1 The Remuneration Committee shall hold at least one regular meeting each year.

3.2 Notice of meeting should be given at least 14 days before any meeting of the Remuneration Committee. Such period could be shortened under special circumstances or such notice could be waived by all the Members. Notwithstanding the notice period, the attendance of the Member at the meeting would be deemed as a waiver of the required notice requirement. If an adjourned meeting takes place within 14 days after the meeting, no further

notice is required for such adjourned meeting.

- 3.3 Meetings of the Remuneration Committee shall be convened only with the presence of two-third or above Members.
- 3.4 Meetings of the Remuneration Committee could be conducted physically or through conference call. A Member may attend the meetings in person or appoint another Member by proxy to attend for voting on his behalf (but not count in the quorum as specified in 3.3 above).
- 3.5 Resolutions of the Remuneration Committee must be passed by a majority of all the Members (including those who did not attend the meeting).
- 3.6 Minutes of the meetings of the Remuneration Committee should be kept by the secretary of the Remuneration Committee and shall be made available for inspection by all members of the Board at any time.

#### **4. Attendance of Meetings**

- 4.1 The Remuneration Committee may invite other personnel relevant to the resolutions to attend the meetings of the Remuneration Committee as attendees if necessary.
- 4.2 Only the Members are entitled to vote in the meetings of the Remuneration Committee.

#### **5. Annual General Meetings**

- 5.1 The chairman of Remuneration Committee or (if absent) the other Member (must be an INED) should attend the annual general meetings of the Company and respond to the shareholders' enquiry on the activities and responsibilities in relation to the Remuneration Committee.

## **6. Duties**

The Remuneration Committee shall have the following duties:

- 6.1 to make recommendations on standards or plans of the remuneration packages for executive directors and senior management of the Company (including but not limited to performance assessment standards, procedures and major assessment system; major plans and systems for awards and punishments) to the Board or shareholders' meetings according to the major scope of work, responsibilities and duties, importance of the positions of the executive directors and the senior management of the Company and the remuneration standard of other comparable positions of other comparable companies;
- 6.2 to consult the chairman and/or president of the Company on any other recommendations about the remuneration proposals of other executive directors;
- 6.3 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 6.4 Either:
  - (a) to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management; or
  - (b) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management. This should include benefits in kind, pension rights and compensation payment, including any compensation payable for loss or termination of their office or appointment;

- 6.5 to make recommendations on the remuneration of non-executive directors to the Board. Factors to be taken into consideration by the Remuneration Committee should include salaries paid by comparable companies, time commitment and responsibilities of the directors and the employment terms of other positions within the Company and its subsidiaries and whether the remuneration should be determined based on performance;
- 6.6 to review and approve the compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise be fair and not excessive;
- 6.7 to review and approve the compensation arrangements relating to dismissal or removal of directors due for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- 6.8 to ensure that no director or any of his associates is involved in determining his/her own remuneration;
- 6.9 to be responsible for monitoring the implementation of the Company's remuneration system;
- 6.10 to make proposals on the share option scheme for the executive directors and senior management of the Company in accordance with the relevant laws, regulations or regulatory documents; to propose their annual remuneration level;
- 6.11 to be responsible for monitoring the implementation of the Company's share option scheme;
- 6.12 to review and inspect the qualification of grantees and conditions for granting and exercising of share options of the Company's share option scheme;

- 6.13 to be responsible for assessing and evaluating the annual performance of executive directors and senior management of the Company and make recommendations on the assessment;
- 6.14 to review the annual assessment indicators and the reasonableness and suitability of the remuneration policy, and timely make recommendations on the necessary adjustment;
- 6.15 to implement the disclosure relating to the Company's major remuneration information in accordance with the relevant requirements;
- 6.16 to perform other tasks in relation to remuneration and performance assessment assigned by the Board.
- 6.17 performing the Company's corporate governance functions:
  - 6.17.1 to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
  - 6.17.2 to review and monitor the training and continuous professional development of directors and senior management of the Company;
  - 6.17.3 to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
  - 6.17.4 to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the Company; and
  - 6.17.5 to review the Company's compliance with the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and disclosure in the Corporate Governance Report in the annual report of the Company.

## **7. Reporting responsibility**

- 7.1 The Remuneration Committee shall report to the Board its resolutions or proposals after each meeting and must sign such resolutions or proposals, unless the Remuneration Committee is prohibited by laws or regulatory requirements from such reporting (such as a restriction on disclosure due to regulatory requirements).

## **8. Power and authority**

The Remuneration Committee shall have the following authorities:

- 8.1.1 to obtain the information required for discharge of its duties from the executive directors and senior management of the Company, to request the relevant departments and staff of the Company to provide assistance, and should notify the relevant staff and departments in writing that all departments of the Company and the relevant staff should co-operate with the Remuneration Committee in discharging its duties;
- 8.1.2 to seek opinions from financial, legal and other independent professional consulting organizations in performing its duties, and may invite persons with relevant experience and experts from independent professional consulting organizations to attend meetings of the Remuneration Committee or convene expert panel;
- 8.1.3 to invite independent professional consulting organizations to participate in the research and design of remuneration and assessment proposals for directors and senior management at the expense of the Company;
- 8.1.4 to request for the assistance of the company secretary of the Company;
- 8.2 The Remuneration Committee should be provided with sufficient resources to discharge its duties.