



# CHINA SUNSHINE PAPER HOLDINGS COMPANY LIMITED

## 中國陽光紙業控股有限公司\*

*(a limited liability company incorporated in the Cayman Islands)*

**(the “Company”)**

### **Terms of reference of the Remuneration Committee (the “Committee”) of the Board of Directors (the “Board”) of the Company**

*(as adopted by the Board on 23 December 2022)*

#### **1. Constitution**

1.1 The Committee is established pursuant to a resolution passed by the Board at its meeting held on 19 November 2007, and its responsibilities include establishing the remuneration policy of the Company and its subsidiaries (the “**Group**”) and determining the remuneration package for the Board and the Committee of the Board.

#### **2. Membership**

2.1 Members of the Committee (the “**Members**”, and each a “**Member**”) shall be appointed by the Board from amongst the directors of the Company and shall consist of at least three members, a majority of whom shall be independent non-executive directors.

2.2 The Board shall appoint a Member as the chairman of the Committee (the “**Chairman**”), who must be an independent non-executive director of the Company.

2.3 The appointment of the members of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee.

2.4 The secretary of the Company shall act as the secretary of the Committee.

2.5 The constitution of the Committee shall comply with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as amended from time to time.

### **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.
- 3.3 Unless otherwise agreed by all of the Members, a meeting shall be convened by at least 14 days' notice. 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.
- 3.4 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 the other Members throughout the meeting and such participation shall constitute presence for purposes of the quorum as set out in Paragraph 3.2.
- 3.5 A Member or the secretary of the Company may at any time summon a Committee meeting.
- 3.6 Notice shall be given to each Member orally or in writing or by telephone or by facsimile transmission or email at numbers or addresses from time to time notified to the secretary of the Company by such Member or in such other manner as the Members may from time to time determine.
- 3.7 Any notice given orally shall be followed by confirmation in writing provided by the relevant Member before the meeting.
- 3.8 Other Board members shall also have the right of attendance.
- 3.9 The Chairman or Member shall abstain from voting or should not discuss or give any opinions or recommendations in the Meeting when the Committee meeting is to determine and discuss his or her remuneration package.

### **4. Written resolutions**

- 4.1 Resolutions may be passed by all of the Members in writing in lieu of convening a Committee meeting. This provision is without prejudice to any requirement under the Listing Rules for a Board or Committee meeting to be held.

### **5. Alternate Committee members**

- 5.1 Members may not appoint any alternate.

## **6. Authorities of the Committee**

- 6.1 The Committee has the authority delegated to it from the Board to deal with the matters set out in these terms of reference. It is further authorized to seek any information it requires from any employees of the Company in order to perform its duties.
- 6.2 The Committee should consult the chairman of the Board and/or chief executive officer about their proposals for other executive directors.
- 6.3 The Company should provide the Committee with sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

## **7. Duties**

### 7.1 The Committee shall

- 7.1.1 make recommendations to the Board on the policy and structure of the Group for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- 7.1.2 review and approve the management of the Company's remuneration proposals with reference to the Board's corporate goals and objectives;  
  
to make recommendations to the Board on the remuneration packages of individual executive directors and senior management of the Company.  
  
This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.
- 7.1.3 make recommendations to the Board on the remuneration of non-executive directors;
- 7.1.4 consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- 7.1.5 review and approve compensation payable to executive directors and senior management of the Company for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and are otherwise fair and not excessive;

7.1.6 review and approve compensation arrangements relating to dismissal or removal of directors of the Company for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

7.1.7 ensure that no director or any of his associates is involved in deciding his own remuneration; and

7.1.8 review and approve matters relating to share schemes under Chapter 17 of the Listing Rules.

## **8. Reporting Procedures**

8.1 The secretary of the Company shall circulate the draft minutes of the meetings of the Committee to all of the Members for their comment within a reasonable time. Final minutes and reports of the meetings and all written resolutions of the Committee shall be sent to all of the Members within a reasonable time after the meetings.

8.2 The Chairman shall report to the Board on regular basis and present the findings and the recommendation of the Committee to the Board at the next Board meeting.

8.3 Full minutes of the meetings of the Committee and written resolutions of the Committee shall be kept by the secretary of the Company and shall be open for inspection at any reasonable time on reasonable notice by any director of the Company.

## **9. Continuing application of the articles of association of the Company**

9.1 The articles of association of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

## **10. Powers of the Board**

10.1 The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including Appendix 14 “Corporate Governance Code and Corporate Governance Report”), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.

## **11. Language**

If there is any inconsistency between the English and Chinese terms of reference, English version shall prevail.