

These terms of reference are prepared in Chinese. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.



安徽海螺水泥股份有限公司

ANHUI CONCH CEMENT COMPANY LIMITED

Terms of Reference of the Remuneration and Nomination Committee

(Approved and became effective by the Board at the sixth meeting of the third session of the Board on 12 October 2005)

(Revised and approved by the Board at the fifth meeting of the fifth session of the Board on 26 March 2012)

(Revised and approved by the Board at the seventh meeting of the seventh session of the Board held on 21 March 2019)

(Revised and approved by the Board at the sixth meeting of the eighth session of the Board held on 25 March 2021)

Chapter I General

Article 1 In accordance with the relevant requirements of The Rules ("Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Code of Corporate Governance for Listed Companies issued by China Securities Regulatory Commission, the board ("Board") of directors ("Directors") of Anhui Conch Cement Company Limited ("Company") has established a remuneration and nomination committee ("Committee") of the Board. The Committee is mainly responsible for formulating the remuneration policies and determining the proposal on the remuneration for the Company's Directors and senior management, as well as conducting regular review of the structure, size and composition of the Board, selecting Directors and senior management and formulating succession planning for Directors. The Committee is also responsible for making recommendations on the abovementioned matters to the Board.

Article 2 The Committee is a non-permanent committee of the Board and is accountable to the Board.

Article 3 The terms of reference (“Terms of Reference”) of the Committee, which clearly describe and define the duties and powers of the Committee, serves as important guidelines and basis for the Committee to carry out its duties, and became effective upon the Board’s approval.

Article 4 The Committee shall discharge its powers conferred on it by the Board, perform its duties, report and recommend to the Board, as well as assist the Board in completing various tasks according to the Terms of Reference in order to enhance the work efficiency, reporting quality, transparency and objectivity of the Board.

Chapter II Members of the Committee

Article 5 The Committee shall comprise not less than three members with one of them being the chairman. The members of the Committee shall comprise at least a majority of the independent non-executive Directors. The Chairman of the Committee (“Chairman”) shall be an independent non-executive Director.

Article 6 The Chairman and members of the Committee shall be appointed by the Board where an appointment letter for each member will be issued by the Board. Appointed members shall file a written notice of acceptance of such appointment to the Board within seven days from the date of appointment.

Article 7 The term of office of the members of the Committee shall coincide with the term of the Board. The Committee members may stand for re-election upon expiry of the term. The membership of a Committee member shall be terminated when any such Committee member ceasing to be a Director, and the Board shall fill such vacancy in accordance with the relevant procedures set out by the Company.

Article 8 Any Committee member who resigns during the term of his office shall give a three-month notice by tendering to the Board a written resignation containing detailed reason for such resignation. The resignation shall only become effective upon the approval by more than half of the Board members. The Board shall fill the vacancy pursuant to the relevant procedures set out by the Company.

Article 9 Any change of Committee member(s) resulting from change of Director(s)

shall be put forward for approval by shareholders in a general meeting, and such change shall comply with the relevant procedure in respect of information disclosure.

Article 10 The Committee shall appoint a secretary to assist the coordination and communication between the Committee and the Board and other committees and departments to gather the necessary information for the Committee to exercise its duties.

Chapter III Duties and Powers

Article 11 The Committee shall be accountable to the Board and discharge its powers and functions conferred on it by the Board. The Committee shall be provided with sufficient resources for it to exercise its duties. The Committee does not have the authority to make decisions or manage in place of the Board. The duties of the Committee mainly include:

11.1 Duties in relation to remuneration management which include:

- (1) Recommend to the Board the policy and structure for the remuneration of the Company's Directors and senior management, and the establishment of a formal and transparent procedure for formulating the remuneration policy;
- (2) Determine the remuneration packages of all executive Directors and senior management staff, including benefits in kind and pension rights with reference to market rates and actual situation of the Company or make recommendations to the Board;
- (3) Make recommendations to the Board on the remuneration of non-executive Directors;
- (4) Review and approve the remuneration of Directors and senior management from time to time based on their individual performance with reference to the corporate objectives resolved by the Board;
- (5) Consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- (6) Review and approve compensation payment to executive Directors and senior management (including compensation resulting from losing or termination of office or appointment) to ensure that such compensation is determined in accordance with the relevant terms of the contract(s). If such compensation cannot be determined in

accordance with the relevant terms of the contract(s), it shall still be fair and shall not result in an excessive burden on the Company;

(7) Review and approve the compensation arrangements of the Directors in connection with the dismissal or removal for misconduct to ensure that such arrangements are determined in accordance with the relevant terms of the contract(s). If such compensation cannot be determined in accordance with the relevant terms of the contract(s), it shall still be fair and appropriate;

(8) Ensure that none of the Director or any of his/her associates is involved in determining his/her own remuneration.

2. Duties in relation to appointment, dismissal and nomination which include:

(1) Review the structure, size and composition of the Board (in respect of the role, responsibilities, capabilities, skills, knowledge, experience and diversity of perspectives its members) on a regular basis and at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(2) Identify and nominate candidate(s) of Director(s) with suitable qualification(s); and make recommendation of such qualified candidate(s) to the Board;

(3) Identify and nominate candidate(s) of senior management with suitable qualifications and make recommendations of such qualified candidates to the Board;

(4) Assess the independence, time commitment and the selection criteria as set out in paragraph 11.2(1) above and (where relevant) overboarding of independent non-executive Directors (and candidate(s) for such office);

(5) Make recommendations to the Board on appointment and/or re-appointment of Directors and matters in relation to the succession planning for the Directors (particularly the chairman of the Board and chief executive officer of the Company);

(6) Provide the policy concerning the diversity of Board members, and the measurable objectives for implementing such policy and to discuss with the Board any revisions that may be required, and recommend any such revisions to the Board for consideration and approval;

(7) Review the policy on Board diversity, and as appropriate, in accordance with the Group's own circumstances, business models and specific needs, to ensure its effectiveness and the measurable objectives for implementing such policy from time

to time adopted by the Board, and to review the progress on achieving these objectives; and

(8) Report annually, in the corporate governance report contained in the Company's annual report, on the Board's composition under the diversified perspectives, and monitor the implementation of the Board diversity policy.

Chapter IV Work Procedures

Article 12 The Committee should meet at least once a year. The length of the meetings shall be determined by the Committee as necessary. Such meeting shall be convened and chaired by the chairman of the Committee. A notice of the meeting shall be given to all the Committee members five days before the meeting by the secretary of the Committee, who is responsible for making all necessary arrangements for the meeting.

Article 13 The quorum necessary for the convention of a Committee meeting shall not be less than half of the Committee members.

Article 14 The Committee may invite other Directors, professionals, advisory bodies or senior management to the meeting as required for the purpose of discussions of relevant matters in the meeting.

Article 15 Written reports on all issues discussed by the Committee shall be submitted to the Board for review.

Article 16 The secretary of the Committee shall be responsible for keeping meeting minutes and submitting such minutes to all the members of the Board for review within a reasonable timeframe.

Article 17 The Committee can monitor specific issues and implement specific tasks through the secretary of the Committee or the Human Resources Department of the Company.

Chapter V Annex

Article 18 The Terms of Reference shall become effective upon the Board's approval.

Article 19 The Terms of Reference is subject to interpretation by the Board.