



安徽皖通高速公路股份有限公司  
**ANHUI EXPRESSWAY COMPANY LIMITED**

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

(Stock Code: 995)

**Terms of Reference of Human Resources  
and Remuneration Committee**

**Chapter 1 General Principles**

- Article 1** For the purpose of facilitating the fulfillment of duties and enhancing work efficiency, the board of directors (the “Board”) of Anhui Expressway Company Limited (the “Company”) has set up the Human Resources and Remuneration Committee (the “Committee”). The Committee is responsible for forming the human resources development strategies and plans, researching and forming the remuneration strategies and incentive scheme, and evaluating the performance of directors, the general manager and other senior management staff and advising on their appointment and removal.
- Article 2** The Committee is a specialized committee established under the Board. It is a non-standing organization under the Board and is accountable to the Board.
- Article 3** The purpose of the Terms of Reference of the Committee (these “Terms of Reference”) is to clearly set out and define the duties and functions of the Committee, which are the important guidelines and reference for the Committee to perform its duties.
- Article 4** The Committee shall act in accordance with these Terms of Reference, and shall exercise the powers granted by the Board, carry out its duties and report and make suggestions to the Board, in order to assist the Board in fulfilling its role and enhance the efficiency, standard of reporting, transparency and objectivity of the Board.

## **Chapter 2 Composition**

- Article 5** The Committee is established under the sanction of the Board. It comprises three to five members, including the directors who have no involvement in the Company's operation and management, independent directors and the member(s) from the general public. The Committee shall have a chairman.
- Article 6** The chairman and members of the Committee shall be appointed by the Board in the form of letters of appointment issued by the Board. The chairman of the Committee shall be a director with relevant knowledge and experience, having no involvement in the Company's operation and management.
- Article 7** The Committee shall have a secretary, who shall be the head of the Company's human resources department, to assist in the co-ordination and communication between the Committee and the Board and other committees and departments.
- Article 8** The term of office of the Committee shall be three years. The Committee shall upon the expiry of such period be re-elected. The term of office of a Committee member shall accord to that of the directorship if possible. There should ordinarily be at least one new member being elected to the Committee at the time of re-election.
- Article 9** Pursuant to the Administrative Measures for Specified Expenses of the Board, members of the Committee shall be entitled to a meeting allowance for attending formal meetings.
- Article 10** Members of the Committee shall be entitled to appropriate remuneration to reflect the time committed and the responsibilities undertaken in respect of the Committee. The Company and the Committee members shall enter into written agreements in relation to the remuneration which shall be effective upon the Board's approval.

### **Chapter 3 Terms of Reference**

**Article 11** The Committee is authorized by the Board to exercise its functions and powers under these Terms of Reference and is accountable to the Board. The Committee is not entitled to perform the decision making and management functions in place of the Board.

**Article 12** The Terms of Reference of the Committee mainly include:

I. Human resources management

1. to review or form human resources development strategies and planning, to approve human resources development plans of the Company;
2. to evaluate the human resources management system of the Company and the effectiveness of its implementation;
3. to review and approve the Company's training programs, and to evaluate the effectiveness of the training programs.

II. Remuneration and option management

4. to make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
5. to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
6. either:
  - (i) to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management;
  - or

(ii) 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 payments, including any compensation payable for loss or termination of their office or appointment;

7. to make recommendations to the Board on the remuneration of non-executive directors;
8. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
9. to review and approve 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 fair and not excessive;
10. to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
11. to ensure that no director or any of his associates is involved in deciding his own remuneration;
12. to review the gross salary adjustment scheme, incentive scheme, option schemes and modify the remuneration proposals;
13. to manage and implement the Company's option schemes with authorization;
14. to investigate and review the Company's remuneration structure and the implementation status of the Company's short-term, mid-term and long-term incentive schemes, and to make proposals and plans.

### III. Assessment, appointment, removal and nomination

15. to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
16. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
17. to assess the independence of independent non-executive directors;
18. to make recommendations to the Board on the appointment or reappointment of directors and succession planning for directors, in particular the chairman and the chief executive;
19. to assist the board of supervisors in assessing the performance of directors during their terms of office, and to propose their removal based on the attendance rate and performance of directors in Board meetings and committee meetings;
20. to assess the performance of general manager and other senior management staff annually, and to propose their dismissal based on the same;
21. to nominate shareholding representatives to subsidiaries, and to recommend candidates for the office of directors, supervisors and person in charge of the financial affairs or chief financial officer pursuant to the articles of association of the subsidiaries or any applicable agreement;
22. to make reference to the Policy on Diversification of Members of the Board (Annex I), taking into account objectively the benefits of diversification of members of the Board;

23. to review the Policy on Diversification of Members of the Board when appropriate, and review the measurable objectives and the progress in attaining the objectives under the Policy on Diversification of Members of the Board to ensure its effectiveness; and make disclosure of its review results in the Corporate Governance Report of the Company annually.

IV. Other functions and powers

24. to review pension plans, annuity plans and other employee benefit plans;
25. to report back to the Board on the Committee's decisions or recommendations, unless there are legal or regulatory restrictions on the Committee's ability to do so (such as a restriction on disclosure due to the regulatory requirement);
26. to conduct other works as required by the Board.

**Article 13** The Committee shall, in line with the different authorizations granted by the Board, prepare and submit reports on the remuneration packages proposed by the Committee and the assessment of directors and senior management staff for the approval of the Board and/or general meeting.

#### **Chapter 4 Work Procedures**

**Article 14** The Committee shall meet at least once a year, the time of which shall depend on needs. The meetings shall be convened and chaired by the chairman of the Committee. Notice of meeting shall be given to all Committee members not less than five days before the date of meeting.

**Article 15** Meetings of the Committee require the presence of more than half of its members.

**Article 16** Based on the need, other directors, external professionals, consulting organizations or senior management of the Company may be invited by the Committee to attend the meetings.

**Article 17** The Committee shall submit a written report on the issues discussed for the Board's review.

**Article 18** The secretary of the Committee shall prepare the minutes of meetings and circulate the same amongst all members of the Board within a reasonable time.

**Article 19** The Committee may, through the secretary of the Committee or the Board Secretariat or Human Resources Department of the Company, monitor and implement specific programs.

## **Chapter 5 Supplementary Provisions**

**Article 20** These Terms of Reference shall take effect upon approval by the Board.

**Article 21** The Board reserves the right to interpret these Terms of Reference.

Annex I

## **Anhui Expressway Company Limited**

### **Policy on Diversification of Members of the Board**

#### **1. VISION AND PURPOSE**

Anhui Expressway Company Limited (hereinafter referred to as the “Company”) believes that the diversification of members of the Board will bring significantly positive impact on enhancing the performance of the Company.

The policy is aimed at setting out the approaches adopted by the Company to achieve the diversification of members of the Board.

## **2. POLICY**

In setting the composition of the Board, the Company will consider the diversification of members of the Board from various aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All appointments to the Board shall follow the principle of meritocracy, taking into account objectively the benefits of diversification of members of the Board when considering the candidates.

## **3. MEASURABLE OBJECTIVES**

The selection of candidates for the Board will be based on a range of diversified criteria, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge.

## **4. MONITORING AND REPORTING**

The Human Resources and Remuneration Committee will disclose the composition of the Board in the Corporate Governance Report annually and oversee the implementation of this policy.

## **5. REVIEW OF THE POLICY**

The Human Resources and Remuneration Committee will review this policy when appropriate to ensure its effectiveness. The Human Resources and Remuneration Committee will discuss any amendments necessary to be made, and submit the proposed amendments to the Board for approval.