

AMS Public Transport Holdings Limited (the “Company”) Terms of Reference of the Remuneration Committee (“RC”)

1. Role of the RC

The role of the RC is to assist the Board of Directors (the “Board”) in the effective discharge of its responsibilities through providing guidance to the Board on matters relating to remuneration of directors and senior management. Its role includes ensuring that the Company:

- (i) has remuneration policies and practices that are observed and that enable the Company to attract and retain directors and senior management who will create value for shareholders; and
- (ii) fairly and responsibly rewards directors, and senior management having regard to the performance of the Company, the external remuneration environment, and the performance of the specific area for which directors or senior management are responsible.

2. Membership

The RC is a committee of the Board and will comprise at least three Independent Non-executive Directors (“INEDs”) of the Company, who are independent of management and free of any business or other relationship which could interfere with the exercise of their independent judgment.

The appointment to a member of the RC is made by the chairman of the Board (“Chairman”).

3. Meeting

The RC should meet at least once per year and when requested by the Chairman or any INED.

Only the members of the RC have the right to attend RC’s meetings. The RC may invite persons, including the Chairman and the chief executive of the Company, to attend meetings where appropriate to consult them about their remuneration proposals relating to the remuneration of for other executive directors in order to assist the RC to discharge its duties. The quorum of the committee is any two RC members.

The RC may ask certain parties to withdraw from any part of a meeting.

No party shall be present whilst his or her performance or compensation is discussed, unless specifically invited by the RC and no director should be involved in deciding his or her own remuneration.

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4. Authority

The RC will have whatever access it required to the Company’s personnel, information and documents and it will be provided with sufficient resources to perform its duties.

The RC has the ability to direct any special investigations deemed necessary and to obtain independent professional advice to assist it with its functions, with the cost to be paid for by the Company

5. Responsibilities of the RC

The RC’s responsibilities include:

- (i) to make recommendations to the Board on the policy and structure for all directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (ii) to review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives;
- (iii) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management.

(Note: This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.)

- (iv) to make recommendations to the Board on the remuneration of non-executive directors;
- (v) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (vi) to review and approve the compensation payable to executive directors and senior management for any loss or termination of their office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (vii) 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;

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- (viii) to ensure that no director or any of his or her associates is involved in deciding his or her own remuneration;
- (ix) to make recommendation to the Board on appropriate means to administer directors and senior management remuneration programs; and
- (x) to review and approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

*First update on 22 December 2011
Second update on 30 March 2023*