

BEIJING CAPITAL GRAND LIMITED
Terms of Reference of the Remuneration Committee

BEIJING CAPITAL GRAND LIMITED

(首創鉅大有限公司)

(incorporated in the Cayman Islands with limited liability)

**TERMS OF REFERENCE OF
THE REMUNERATION COMMITTEE**

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In these terms of reference, the following terms have the following meanings:

Affiliate means, with respect to any Person, another Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such first Person;

Articles means the articles of association (or equivalent documents) of the Company as amended from time to time;

Benefit Plan means any plan, contract or other arrangement, formal or informal, whether oral or written, providing any benefit to any present or former officer, director or employee, or dependent or beneficiary thereof, including any employment agreement or profit sharing, deferred compensation, stock option, performance stock, employee stock purchase, bonus, severance, retirement, health or insurance plan. All employer and employee contributions to each Benefit Plan required by applicable Law or by the terms of such Benefit Plan have been made, or, if applicable, accrued in accordance with normal accounting practices;

Board means the Board of Directors;

Board Approval means, with respect to any matter presented to the Board, the approval by a majority of the Directors present at a duly called Board meeting at which a quorum is present or by written resolution(s) signed by all Directors;

Committee means the remuneration committee of the Company;

Company means Beijing Capital Grand Limited;

Control means possession, directly or indirectly, of the power to direct or cause the direction of the operations and management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and Controlled, Controls and Controller shall be construed accordingly;

Director means a director of the Company from time to time;

Group means the Company and its subsidiaries;

Governmental Authority means any governmental, regulatory or supervisory body or court or arbitral tribunal of competent jurisdiction;

Law means any foreign, national, supranational, federal, state, municipal or local law (including common law), statute, rule, code, policy, directive, standard, license, treaty, regulation or ordinance or any order or permit of, or any settlement agreement entered into with, a Governmental Authority;

Listing Rules means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

Person means an individual, firm, corporation, partnership, association, limited liability company, trust or estate or any other entity or organization whether or not having separate legal existence, including any Governmental Authority; and

Remuneration Committee Matters has the meaning set out in paragraph 9 of these terms of reference.

Formation

1. The Committee was formed pursuant to the board resolution of the Company passed on 14 March 2012 and is a committee of the Board.

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Terms of Reference of the Remuneration Committee

Composition and quorum

2. The Committee comprises four Directors.
3. A majority of the Committee members should be independent non-executive Directors.
4. The quorum for a meeting of the Committee shall be two members.
5. The chairman of the Committee will be an independent non-executive Director. The company secretary of the Company will be the secretary of the Committee or in his/her absence, his/her representative or any one member of the Committee, shall be the secretary of the meetings of the Committee.

Proceedings of meetings

6. The provisions of the Articles regulating the meetings and proceedings of the meetings of the Directors so far as the same are applicable and not inconsistent with the provisions of these terms of reference will mutatis mutandis apply to regulate the meetings and the proceedings of the meetings of the Committee.

Authority

7. The Committee is authorised by the Board to investigate any activity within these terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
8. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The Committee should be provided with sufficient resources to perform its duties.

Duties

9. The Committee will advise on the Company's remuneration policies and make recommendations to the Board in relation to such matters. The following matters will be put forward for approval by the Committee before recommendation to the Board (the "**Remuneration Committee Matters**"):
 - (a) determination of the Company's policies relating to the remuneration of Directors, management personnel with the title of Vice President (or equivalent) or above and the top five (5) highest paid employees of the Group taken as a whole;
 - (b) determination of the terms of any Benefit Plans and the proposed adoption thereof by any companies under the Group;
 - (c) determination of the entire individual remuneration packages (including, but not limited to pension rights, compensation payments, including any compensation payable for loss or termination of their office or appointment) for each of the Directors, management personnel with the title of Vice President (or equivalent) or above and the top five (5) highest paid employees of the Group taken as a whole; and
 - (d) to make recommendations to the Board on the remuneration of non-executive Directors.
10. In addition to advising on the Remuneration Committee Matters, the duties of the Committee include:-
 - (a) to make recommendations to the Board on the establishment of a formal and transparent procedure for developing remuneration policy;
 - (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
 - (c) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

BEIJING CAPITAL GRAND LIMITED
Terms of Reference of the Remuneration Committee

- (d) 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;
- (e) to ensure that no Director or any of his associates is involved in deciding his own remuneration;
- (f) to review and approve compensation arrangements relating to dismissal or removal of the Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (g) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules, if any; and
- (h) to consider any other topics as defined by the Board.

Abstention

11. Members of the Committee shall abstain from voting on any resolution of the Committee in relation to matters which himself or herself or any shareholder(s) or security-holder(s) of the Company him or her is a representative of or their Affiliates has a conflict of interest or a conflict of interest with the Company.

Reporting procedures

12. All decisions or recommendations of the Committee will be referred to the Board and will take effect only upon receipt of Board Approval.
13. The secretary of the Committee will keep full minutes of all Committee meetings. Minutes of Committee meetings will record in sufficient detail the matters considered by the Committee members and decisions reached, including any concerns raised by the Committee members and dissenting views expressed. Draft and final versions of minutes of Committee meetings will be sent to all members of the Committee for their comment and record respectively, in each case within a reasonable time after the meeting. The secretary will also circulate the minutes of meetings, reports and all written resolutions of the Committee to all members of the Board.

Powers of the Board

14. The Board may, subject to compliance with the Articles and the Listing Rules, 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 would invalidate any prior act and resolution of the Committee which would have been valid if these terms of reference or resolution had not been amended or revoked.

Publication of these terms of reference

15. A copy of these terms of reference will be made available by posting on the website of The Stock Exchange of Hong Kong Limited and the Company's website.

Note: If there is any inconsistency between the English and Chinese versions of this Terms of Reference, the English version shall prevail