

**Hollwin Urban Operation Service Group Co., Ltd**  
**( 泓盈城市運營服務集團股份有限公司 )**  
**Terms of Reference of the Remuneration and**  
**Appraisal Committee of the Board of Directors**

**Chapter 1 General Provisions**

**Article 1** In order to further establish and improve the evaluation and remuneration management system of Directors and senior management officers of the Company (hereinafter referred to as the “Managers”), and improve the corporate governance structure, the Company has specially established the Remuneration and Appraisal Committee of the Board of Directors and formulated these terms of reference pursuant to the Company Law of the People’s Republic of China, the Governance Guidelines for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), Articles of Association of Hollwin Urban Operation Service Group Co., Ltd (hereinafter referred to as the “Articles of Association”) and other relevant regulations.

**Article 2** The Remuneration and Appraisal Committee of the Board of Directors is a specialized working body established by the Board of Directors in accordance with the resolutions of the Board of Directors, primarily responsible for formulating the evaluation standards of and evaluating the Company’s Directors and Managers, formulating and reviewing the remuneration policies and plans of the Company’s Directors and Managers, and accountable to and reporting to the Board of Directors. The Committee should consult the chairman or chairlady of the Committee and/or the chief executive officer about their remuneration proposals for other executive directors.

**Article 3** The Directors as referred to in these terms of reference refer to all Directors, and the Managers refer to the general manager, deputy general manager, chief financial officer, secretary of the Board of Directors and assistant to the general manager of the Company.

**Chapter 2 Composition**

**Article 4** The Remuneration and Appraisal Committee of the Board of Directors shall comprise of three Directors, of which at least two shall be the independent non-executive Directors, and shall be elected by the Board of Directors.

**Article 5** The members of the Remuneration and Appraisal Committee of the Board of Directors shall be nominated by the chairman of the Board of Directors or the Nomination Committee, and shall be elected by the Board of Directors.

**Article 6** The Remuneration and Appraisal Committee of the Board of Directors shall have a chairman (the convener), who shall be the independent non-executive Directors and be responsible for presiding over the Committee. The chairman shall be nominated by the chairman of the Board of Directors or the Nomination Committee and elected by the Board of Directors.

**Article 7** The term of office of the Remuneration and Appraisal Committee of the Board of Directors shall be consistent with that of the Board of Directors. The term of office of a member is renewable upon re-election. The Board of Directors periodically evaluates the independence and performance of the members of the Committee and may, if necessary, replace those members who are unsuitable to continue in office. If any member of the Committee ceases to be a Director of the Company or any member who should be an independent non-executive Director no longer possess such independence as required by the Hong Kong Listing Rules, he/she will automatically cease to be the member, and the vacancy shall be filled by the person elected by the Board of Directors in accordance with the relevant requirements under the Hong Kong Listing Rules. The supplementary member's term of office shall end by the expiry of term of office for his/her serving as the Director. No members shall, before the expiration of his/her term of office, be removed from office without reason except for the circumstances that require dismissal as stipulated by laws and regulations, the Articles of Association or these terms of reference.

**Article 8** A Committee member may submit resignation to the Board of Directors prior to the expiration of his/her term of office. Such resignation shall specify the reasons for the resignation and any matters which would require the attention of the Board of Directors. When the number of Committee members falls below the minimum number as provided herein, the resigning member shall continue to perform the duties until the appointment of a new member to fill his/her place.

**Article 9** The Remuneration and Appraisal Committee of the Board of Directors has a working group, which is specifically responsible for providing information on the business operation of the Company and the relevant information of the persons to be appraised, as well as preparation of meetings of the Remuneration and Appraisal Committee and implementation of relevant resolutions of the Committee.

**Article 10** The responsibilities of the chairman are:

- (1) to convene and chair the meetings of the Committee;
- (2) to supervise and review the work of the Committee and the implementation of the Committee's resolutions;
- (3) to sign the relevant documents of the Committee;
- (4) to report to the Board of Directors of the Company on the work of the Committee;
- (5) the chairman should attend the annual general meeting and answer questions about the work and responsibilities of the Committee at the meeting;
- (6) other responsibilities required to be performed or granted by laws and regulations, relevant regulatory rules of the place of listing such as the Hong Kong Listing Rules, these terms of reference and the Board of Directors.

**Article 11** The responsibilities of the member are:

- (1) to attend meetings of the Committee on time, express opinions on the matters discussed at the meetings, and exercise their voting rights;
- (2) to propose topics to be discussed in the Committee meeting;

- (3) to sit in on or observe relevant meetings of the Company and conduct investigations and researches as well as obtain necessary reports, documents, data and other relevant information to perform responsibilities;
- (4) to fully understand Committee responsibilities and responsibilities as Committee member, be familiar with corporate operating management, business activity and development in connection with his/her responsibilities and guarantee the ability to perform responsibilities;
- (5) to fully guarantee the work time and effort to perform responsibilities;
- (6) other responsibilities granted by laws and regulations, relevant regulatory rules of the place of listing such as the Hong Kong Listing Rules, these terms of reference and the Board of Directors.

### **Chapter 3 Duties and Authorities**

**Article 12** The main duties and authorities of the Remuneration and Appraisal Committee are:

- (1) to formulate and review the assessment method and remuneration plans or proposals of the Directors of the Company based on their respective scope, responsibilities, significance and remuneration levels of similar positions in other related corporates, evaluate the performance and behaviors of the Directors, and report to the Board of Directors and the general meeting for approval;
- (2) to formulate and review the assessment method and remuneration plans or proposals of the senior management officers of the Company based on their respective scope, responsibilities, significance and remuneration levels of similar positions in other related corporates, evaluate the performance and behaviors of the senior management officers and report to the Board of Directors for approval, and such remuneration plans or proposals shall primarily include but not limited to performance appraisal criteria, procedures and assessment system, and the main plan and system for rewards and punishments;
- (3) to establish specific remuneration packages for all executive directors and senior management officers of the Company, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment);
- (4) to make recommendations to the Board of Directors regarding remuneration of non-executive Directors;
- (5) to review and approve the remuneration proposals for the management based on corporate policies and objectives set by the Board of Directors;
- (6) to consider salaries paid by comparable companies, time commitment and responsibilities, and employment criteria of other positions of the Group;

- (7) to review and approve compensation payable to executive directors and senior management officers in connection with loss or termination of their office or appointment, to ensure the compensation is determined in accordance with relevant contractual terms, and is otherwise fair and reasonable and will not create excessive burden to the Company;
- (8) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms, and are otherwise reasonable and appropriate;
- (9) to ensure that no Director or any of his/her associates (as defined in Rules 14A.12 and 14A.15 of the Hong Kong Listing Rules) is involved in determining his/her own remuneration;
- (10) to review the performance of duties by the Directors and senior management officers of the Company and conduct annual performance appraisal on them;
- (11) to supervise the implementation of the Company's remuneration system;
- (12) when performing the above duties, the Committee may engage professional organizations for assistance;
- (13) other matters authorized by the Articles of Association and the Board of Directors, and other relevant requirements on the duties and authorities of the Committee under relevant laws and regulations and relevant regulatory rules of the place of listing such as the Hong Kong Listing Rules.

**Article 13** The Remuneration and Appraisal Committee shall be accountable to the Board of Directors, and the proposals of the Remuneration and Appraisal Committee shall be submitted to the Board of Directors for consideration and decision; the remuneration plan for the Directors of the Company is subject to the approval of the Board of Directors and submitted to the shareholders' meeting for review and approval before implementation.

**Article 14** The Board of Directors shall be entitled to reject the remuneration plans or schemes that prejudice the interests of shareholders.

**Article 15** The Remuneration and Appraisal Committee shall be entitled to ask management personnel at all levels of the Company for fully support for their work, and demand comprehensive answers to their questions as soon as possible.

**Article 16** The members of the Remuneration and Appraisal Committee shall conduct an annual inspection of whether the procedures for deciding on the remuneration of Directors and senior management officers are in compliance with the regulations, whether the basis for determining such remuneration is reasonable, whether it is detrimental to the interests of the Company and all shareholders, and whether the disclosure of the remuneration of Directors and senior management officers in the annual report is in line with the actual situation, etc., and shall issue a report on such inspection and submit it to the Board of Directors. If any problems are found during the inspection, a timely report shall be made to the securities regulatory authority of the place where the Company's shares are listed.

**Article 17** The Remuneration and Appraisal Committee shall make public its terms of reference on the websites of Hong Kong Exchanges and Clearing Limited and the Company, explaining its role and the authority delegated to it by the Board of Directors.

## Chapter 4 Decision-making Procedures

**Article 18** The working group under the Remuneration and Appraisal Committee shall be responsible for the preliminary preparations for decision-making of the Committee, and providing relevant information of the Company:

- (1) information on the Company's fulfilment of its main financial indicators and business objectives;
- (2) information on the division of work of the Company's Directors, Supervisors and senior management officers and their main duties;
- (3) information on fulfilment of targets involved in the work performance evaluation system of Directors and senior management officers of the Company;
- (4) information on the business performance of business innovation and profit-making ability of Directors and senior management officers of the Company;
- (5) the basis of measurement and calculation in relation to formulating the Company's remuneration distribution plan and method of distribution with reference to the performance results of the Company.

**Article 19** The procedures for evaluating Directors and senior management officers adopted by the Remuneration and Appraisal Committee:

- (1) the Directors and senior management officers of the Company shall report their work and self-assessments to the Remuneration and Appraisal Committee of the Board of Directors;
- (2) the Remuneration and Appraisal Committee shall carry out performance assessments of the Directors and senior management officers according to the performance assessment standards and procedures;
- (3) a proposal on the amount of remuneration and method of reward for the Directors and senior management officers based on the results of work performance assessments and remuneration distribution policy shall be, after a voting in its favor, reported to the Board of Directors.

## Chapter 5 Rules of Procedure

**Article 20** The Remuneration and Appraisal Committee shall hold meetings at least once a year. The chairman shall convene a meeting within ten days after receiving the proposal and a notice shall be given to all members five days prior to the meetings. The meeting shall be chaired by chairman of the Remuneration and Appraisal Committee. Where the chairman is unable to attend the meeting, he/she may delegate another member (being independent non-executive Director) to perform his/her role. The aforesaid period of notice may be exempted and a meeting may be convened at any time subject to unanimous consent by all members of the Committee.

**Article 21** The quorum of the Remuneration and Appraisal Committee meeting shall be two-thirds or above of the members of the Committee. Each member is entitled to one vote. Resolutions passed at such meeting should be approved by more than half of its members.

**Article 22** Voting on the Remuneration and Appraisal Committee meetings may be conducted by

a show of hands or by poll, and voting on the extraordinary meetings may be conducted by means of correspondence.

Unless otherwise required in the Articles of Association and these terms of reference, the Remuneration and Appraisal Committee may, at extraordinary meetings, pass resolutions by facsimile with members present affixing their signatures thereon, provided that the attending members can fully express their opinions.

In case of a meeting voting by means of correspondence, members of the Committee signing on the resolutions of meetings shall be considered to be present at such meetings and agree with such resolutions.

**Article 23** The secretary of the Board of Directors shall attend the meeting of the Remuneration and Appraisal Committee. Directors, Supervisors and other senior management officers of the Company may be invited to attend meetings of the Remuneration and Appraisal Committee, if necessary. Directors who are not members of the Committee shall not have any voting right regarding any matter discussed at the meeting.

**Article 24** Members of the Remuneration and Appraisal Committee shall attend meetings of the Committee in person. If members are unable to attend the meeting for some reason, they may appoint another member in writing to attend the meeting, and, if any member has failed to attend nor appoint a proxy to attend the meeting, he or she shall be deemed to have waived his or her right to vote at such meeting.

**Article 25** Where necessary, the Remuneration and Appraisal Committee may engage intermediary agencies to provide professional advice for its decision-making and the fee shall be borne by the Company.

**Article 26** The convening procedures and voting methods of meetings of the Remuneration and Appraisal Committee as well as the resolutions passed at such meetings shall comply with the relevant laws, administrative rules, the Articles of Association and these terms of reference.

**Article 27** The Remuneration and Appraisal Committee shall keep minutes of its meetings and the attending members shall sign the minutes of the meeting. The minutes of the meetings and resolutions shall be kept by the secretary of the Board of Directors of the Company for at least ten years.

**Article 28** Any resolution passed or the results of a poll taken at a meeting of the Remuneration and Appraisal Committee shall be reported in writing to the Board of Directors of the Company.

**Article 29** All members attending meetings shall be obliged to keep all matters discussed at the meetings confidential and shall not disclose the relevant information without authorization.

**Article 30** When the Remuneration and Appraisal Committee discusses and considers matters

relating to the candidates for Directors and senior management officers, any member of the Committee to whom any of the followings is applicable shall be deemed to be interested in such matters and shall apply in advance to the Committee for abstention:

- (1) he or she is proposed to be appraised;
- (2) his or her close relative(s) is/are proposed to be appraised;
- (3) other circumstances that may affect his or her objective and fair judgments.

**Article 31** In case of the occurrence of any of the above circumstances, the Remuneration and Appraisal Committee shall adopt the following abstaining and voting procedures under the voting abstention mechanism in considering such matters:

- (1) the interested member shall proactively apply for abstaining from voting; otherwise, other members shall have the right to demand an abstention;
- (2) in case of any dispute on the existence of conflict of interest, it shall be resolved by a simple majority of members other than the member in question;
- (3) the interested member shall, rather than participating in discussion or voting on any matter from which he or she is required to abstain, leave the meeting temporarily or otherwise avoid the issue;
- (4) where the Remuneration and Appraisal Committee is unable to make a resolution on the proposed matters due to an abstention of the interested member, it shall resolve to submit the same for consideration by the Board of Directors and so act in a timely manner. In the resolution on submitting the proposed matters for consideration by the Board of Directors, the Remuneration and Appraisal Committee shall provide its consideration details and the opinions of non-interested members on such matters.

**Article 32** When the Remuneration and Appraisal Committee is assessing or discussing the remuneration of a specific Director, the Director should abstain from the meeting.



## Chapter 6 Supplementary Provisions

**Article 33** The expression of “more” referred to in these terms of reference shall include the figure mentioned.

**Article 34** These terms of reference have been approved by the Board of Directors and shall be effective from the date of listing of the overseas listed foreign shares (H shares) issued by the Company on The Stock Exchange of Hong Kong Limited.

**Article 35** Any matters not covered herein shall be carried out in accordance with relevant laws, administrative rules, regulatory documents, relevant regulatory rules of the place of listing such as the Hong Kong Listing Rules and the Articles of Association; where these terms of reference conflict with current or subsequent promulgated laws, administrative rules, regulatory documents, relevant regulatory rules of the place of listing such as the Hong Kong Listing Rules or the legally revised Articles of Association, the said laws, administrative rules, regulatory documents, relevant regulatory rules of the place of listing such as the Hong Kong Listing Rules and Articles of Association shall prevail.

**Article 36** The right to interpret these terms of reference shall be vested in the Board of Directors of the Company. In the event of any inconsistency between the English and Chinese versions of this document, the Chinese version shall prevail.