

# GREENTOWN MANAGEMENT HOLDINGS COMPANY LIMITED

( 綠城管理控股有限公司 )

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 9979)

## TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

The remuneration committee (the “**Committee**”) of Greentown Management Holdings Company Limited (the “**Company**”) was established pursuant to a resolution passed by the board of directors of the Company (the “**Board**”) on January 8, 2020. Set out below are the terms of reference (the “**Terms of Reference**”) of the Committee. If there is any inconsistency between the English and the traditional Chinese versions of the Terms of Reference, the English version shall prevail over the traditional Chinese version. These terms of reference shall be made available to the public by including the information on the respective websites of The Stock Exchange of Hong Kong Limited and the Company.

### 1. PURPOSE

- 1.1 The purpose of the Committee is to make recommendations to the Board in determining the policy and structure for the remuneration of directors and senior management, to establish a formal and transparent procedure for developing policy, to evaluate the performance of directors and senior management, to review and approve the terms of incentive schemes and directors’ service contracts, and to recommend the remuneration packages for all directors and senior management.
- 1.2 The Committee is to review and make recommendations as an independent and impartial committee, who has no personal financial interest in the package and/or benefits recommended and who, in the setting of those remuneration packages, will consider and give due regard to both the performance levels of, and a fair reward for, the relevant individuals and the to the interest of all the shareholders of the Company in light of the financial and commercial circumstances of the Company from time to time.

### 2. COMPOSITION

- 2.1 The Committee shall be appointed by the Board from time to time and shall consist of not less than three members. A majority of Committee members should be independent non-executive directors (“**INEDs**”) who meet the independence requirements from time to time as stipulated in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) (as amended from time to time). The constitution of the Committee shall comply with the requirements of the Listing rules from time to time.
- 2.2 The Board shall appoint one member of the Committee as the chairman (the “**Chairman**”), who must be an independent non-executive director.

### 3. MEETINGS

- 3.1 Unless otherwise specified hereunder, the provisions contained in the Company's articles of association (the "**Articles**") (as amended from time to time) for regulating meetings and proceedings of directors shall apply to the meetings and proceedings of the Committee.
- 3.2 Members of the Committee may attend meetings of the Committee either in person or by means of a telephone or tele-conferencing or any other telecommunications or in such other manner as the members may agree, provided that all participants are thereby able to communicate contemporaneously by voice with all other participants and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.
- 3.3 The Committee shall meet at least once annually or more frequently if circumstances require.
- 3.4 Members of the Committee may be represented at a meeting of the Committee by an alternate appointed by him.
- 3.5 The Committee may, if necessary, invite the human resources manager of the Company and other advisors to attend the meetings, including but not limited to external independent professional advisors or consultants to advise its members.
- 3.6 The Chairman shall be responsible for leading the Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.
- 3.7 A meeting of the Committee may be convened by the chairman of the Committee or any two members of the Committee.
- 3.8 A quorum shall be two members of the Committee, both of whom must be INEDs.
- 3.9 Unless otherwise agreed by all the members of the Committee, notice of at least seven days shall be given for a regular meeting of the Committee. For all other meetings of the Committee, reasonable notice shall be given. The Chairman shall determine whether or not a meeting of the Committee is a regular meeting.
- 3.10 At all times the chairman of the Board shall be notified in advance of all meetings of the Committee and may be in attendance at the relevant meetings, provided that he shall not be in attendance when his own remuneration package/benefits are being discussed.
- 3.11 The agenda and accompanying supporting papers shall be sent to all members of the Committee and to other attendees as appropriate at least three days before the date of the meeting (or such other period as the members may agree).
- 3.12 Each member shall have one voting right. Subject to the Articles, questions arising at any meeting of the Committee shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have a second or casting vote.
- 3.13 The members of the Committee shall appoint a secretary of the Committee (the "**Secretary**") to take minutes. In the absence of the Secretary, his/her delegate(s) or any person elected by the members present at the meeting of the Committee, shall attend the meeting of the Committee and take minutes. Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by the Chairman or the Secretary of the meeting or succeeding meeting.

- 3.14 Full minutes of meeting of the Committee shall be kept by the Secretary or any one of the joint company secretaries of the Company. They shall be open for inspection at any reasonable time on reasonable notice by any director.
- 3.15 Minutes of meetings of the Committee (both draft and final versions) and the record of individual attendance at such meetings shall be prepared by the Secretary which shall be sent to all members of the Board within a reasonable time after the conclusion of any meeting of the Committee for their comment and records. For the purposes of recording attendance only, the attendance of an alternate of members of the Committee will not be counted as attendance by the relevant member of the Committee himself or herself. The minutes of meetings shall record details of the matters considered and decisions reached, including any concerns raised by directors or dissenting views expressed. Copies of the minutes of meetings of the Committee shall be provided to the Board at the next meeting of the Board following a meeting/written resolution of the Committee.
- 3.16 Without prejudice to any requirement under the Listing Rules, a resolution in writing signed by all of the members of the Committee (or their respective alternate) shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. Such resolution may be signed and circulated by fax or other electronic communications. This provision is without prejudice to any requirement under the Listing Rules for a Board or Committee meeting to be held.

#### **4. ACCESS**

- 4.1 The Committee shall have full access to management and may invite members of management (including the chairman of the Board and/or any Executive Director) or others to attend its meetings.
- 4.2 The Committee is to be provided with sufficient resources to perform its duties including but not limited to obtaining independent professional advice and assistance from internal or external legal, accounting or other advisors at the expense of the Company if necessary.

#### **5. REPORTING PROCEDURES**

- 5.1 The Committee shall evaluate and assess its effectiveness and the adequacy of these Terms of Reference from time to time in light of changes in circumstances and changes in regulatory requirements (e.g. the Listing Rules) in Hong Kong and recommend any proposed changes to the Board.
- 5.2 The Committee shall consult the chairman of the Board and/or chief executive officer of the Company about the remuneration proposals of executive directors, and also seek independent professional advice if considered necessary.
- 5.3 The Committee shall report to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

## **6. AUTHORITY**

- 6.1 The authorities and responsibilities of the Committee shall include such responsibilities and authorities set out in the relevant code provisions of the Corporate Governance Code (the “CG Code”) as contained in Appendix 14 to the Listing Rules (as amended from time to time).
- 6.2 The Committee is authorized by the Board to review, assess and make recommendations upon any issues within these terms of reference.

## **7. RESPONSIBILITIES AND DUTIES**

- 7.1 Without prejudice to any requirement under the CG Code, the Committee shall perform the following duties:
- (a) to assess, review and make recommendations, once a year or as and when required, to the Board in respect of the remuneration packages and overall benefits for the Directors and senior management of the Company;
  - (b) to make recommendations to the Board in relation to all consultancy agreements and service contracts, or any variations, renewals or modifications thereof, entered into between the Company and the Directors and senior management of the Company or any associate company of any of them;
  - (c) to consider what details of the relevant individual’s remuneration/benefits should be reported in addition to those required by law or regulation in the Company’s annual report and accounts and how those details should be presented;
  - (d) to make recommendations to the Board on the Company’s policy and structure for the remuneration of all directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
  - (e) to review and approve the management’s remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time;
  - (f) to make recommendations to the Board on the remuneration packages of executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
  - (g) to make recommendations to the Board on the remuneration of non-executive directors;
  - (h) to consider factors such as the level of remuneration paid by comparable companies, the time commitment and responsibilities of directors and senior management, and the employment conditions of the Company and its subsidiaries and consolidated affiliated entities;
  - (i) to consider the level of remuneration and benefits required and suitable to recruit and maintain high quality personnel at the Board level, and effectively incentivize directors to maintain high standards of performance and improve their own performance and that of the Company;

- (j) to ensure that directors and senior management are fairly rewarded in light of their contribution to the Company and their performance;
- (k) to ensure that no director or any of his/her associates is involved in deciding his or her own remuneration. For the avoidance of doubt, members of the Committee must not be involved in deciding his or her own remuneration;
- (l) to review and approve compensation payments and arrangements to directors and senior management for any loss or termination of their office or appointment, or dismissal or removal of directors for misconduct and to assess whether the proposed payments or arrangements are fair, not excessive, reasonable, consistent with the relevant contractual terms, or otherwise appropriate;
- (m) to advise shareholders of the Company in respect of any service contracts of directors that require shareholders' approval in accordance with the Listing Rules;
- (n) to ensure that adequate retirement arrangements are put in place and maintained in respect of the directors in light of their performance during the full duration of their time with the Company and not merely in regard to their performance in the year prior;
- (o) to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- (p) to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by the Listing Rules or applicable law.

## **8. ANNUAL GENERAL MEETING**

The Chairman or in his absence, another member of the Committee or failing this, his or her duly appointed delegate, shall attend the annual general meeting (the "AGM") of the Company and be prepared to respond to questions at the AGM on the Committee's work and responsibilities.