



## **Xi'an Kingfar Property Services Co., Ltd.**

### **西安經發物業股份有限公司**

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

**(Stock Code: 1354)**

(hereafter the “Company”)

## **Remuneration Committee – Terms of Reference**

### **1. Members**

- 1.1 The remuneration committee (the “**Remuneration Committee**”) should be established by the board of directors of the Company (“**Board**”) and it should comprise a minimum of three members and a majority of which should be independent non-executive directors. Members of the Remuneration Committee shall be appointed by the Board.
- 1.2 The Remuneration Committee must be appointed by the Board and chaired by an independent non-executive director.
- 1.3 The terms of appointment to Remuneration Committee members should be determined by the Board at the time of appointment and shall not exceed the member’s tenure as a director.

### **2. Secretary**

- 2.1 The secretary of the Remuneration Committee shall be acted by the company secretary or any joint company secretary of the Company.
- 2.2 The Remuneration Committee may from time to time, appoint any other person with appropriate qualification and experience to act as the secretary of the Remuneration Committee.

### **3. Meeting**

- 3.1 The Remuneration Committee shall hold at least one meeting once a year. Any member or the secretary of the Remuneration Committee can call for a meeting.
- 3.2 Notice of at least five business days (excluding Saturday, Sunday and public holiday in mainland China and Hong Kong) should be given for any meeting, unless such notification is waived by all members. Notwithstanding the notification period, the attendance of the member of the Remuneration Committee at the meeting would be deemed as the waiver by such members of the required notification requirement. If the adjourn takes place within 14 days after the meeting, then no notification is required for such adjourn.
- 3.3 The quorum necessary for the meeting of business of the Remuneration Committee shall be two members of the Remuneration Committee, at least one of whom must be an independent non-executive director.

- 3.4 Meeting can be attended in person or via means including telephone or videoconferencing. The members of the Remuneration Committee can attend the meeting via telephone or any similar communication device (all persons attending such meeting should be able to hear from such member via such communication device).
- 3.5 Resolutions of the Remuneration Committee shall be passed, in the case of a meeting, by a majority of votes of the members of the Remuneration Committee attending such meeting. The chairman or chairlady of the Remuneration Committee shall have a second or casting vote when an equality of votes occurs.
- 3.6 The resolution signed in writing by all members of the Remuneration Committee is valid, as if it had been passed at a meeting of the Remuneration Committee formally convened and held.
- 3.7 Full meeting minutes of Remuneration Committee meeting should be kept by a duly appointed secretary for the meeting and be available for review by the directors. The draft and final version of the meeting minutes shall be sent to all members of the Remuneration Committee within a reasonable period after the meeting concludes. The draft is for members to comment, while the final version serves as the official record.

#### **4. Meeting attendance**

- 4.1 Upon the invitation from the Remuneration Committee, the chairman or chairlady of the Board, the supervisors, the general manager or the chief executive officer, the chief financial officer (or the person holding the same position), other officers responsible for the human resources function, external advisor and/or other persons can be invited to attend all or part of any meeting.
- 4.2 Only the members of the Remuneration Committee can vote at a meeting of the Remuneration Committee.

#### **5. Annual General Meeting**

- 5.1 The chairman or chairlady of the Remuneration Committee or (if absent) the other member of Remuneration Committee (who must be an independent non-executive director) should attend the annual general meetings of the Company, and handle the shareholders' enquiry on the activities and responsibilities related to the Remuneration Committee at such meetings.

#### **6. Duties and Powers**

The Remuneration Committee shall have the following duties and powers:

- 6.1 to make recommendations to the Board on the Company's policy and structure for all directors' and senior management of the Company and on the establishment of a formal and transparent procedure for developing remuneration policy;
- 6.2 to review and approve the management's remuneration with reference to the corporate goals and objectives established by the Board;

- 6.3 either: (i) to determine, with delegated responsibility from the Board, 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;
- 6.4 to make recommendations to the Board on the remuneration of non-executive directors;
- 6.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- 6.6 to review and approve the 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;
- 6.7 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;
- 6.8 to ensure that no director or any of his/her associates is involved in deciding that director's own remuneration;
- 6.9 to review and/or 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 (the "**Listing Rules**"); and
- 6.10 to consider and implement other matters, as defined or assigned by the Board or otherwise required by the Listing Rules from time to time.

## **7. Reporting**

- 7.1 The Remuneration Committee shall report to the Board after each of its meetings.

## **8. Authority**

- 8.1 The Remuneration Committee should consult the chairman or chairlady of the Board and/or the chief executive officer about their remuneration proposals for other executive directors.
- 8.2 The Remuneration Committee is authorized by the Board to request the directors and the senior management of the Company to provide any required information related to the remuneration to perform its duties.
- 8.3 The Remuneration Committee should have access to independent professional advice at the Company's expense if necessary, to perform the responsibilities of the Remuneration Committee.

*Remark:* the independent professional advice can be sought via company secretary or any of the joint company secretaries.

- 8.4 The Remuneration Committee should be provided with sufficient resources to perform its duties.