

CIMC Enric Holdings Limited

中集安瑞科控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Director and Senior Management Remuneration Policy

General

1. This policy aims at setting clearly the remuneration policy for the Directors and Senior Management ^{Note} of CIMC Enric Holdings Limited (the “Company” together with its subsidiaries, collectively the “Group”) and fixing the remuneration of the Directors and Senior Management under a fair and transparent procedure;
2. The Board formed the Remuneration Committee which have the delegated responsibility to determine the remuneration of the Directors and Senior Management in accordance with the Articles of the Company and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited subject to the approval by the shareholders or the Directors, and make recommendation to the Board of the remuneration of the non-executive Directors;
3. No Directors or Senior Management or any of his/her associates shall be involved in deciding his own remuneration; and
4. Each Director (including independent non-executive Directors) and Senior Management is required to enter into a service agreement or an appointment letter with the Company, which sets out clearly the duties/terms of appointment and remuneration, etc.

Remuneration policy

The Company determines the level of remuneration of the directors and Senior Management based on the experience, scope of duties (including (but not limited to) whether being the chairman or a member of the Board committees), work performance, time committed to the Company, salaries paid by comparable companies and remuneration packages elsewhere in the Group, so as to attract, motivate and retain talents as well as encourage them to make contribution to the Company.

Remuneration packages

1. The remuneration of executive Directors includes a fixed salary, management bonus, share options and equity shares, as follows:
 - (i) Fixed monthly salary to be received during his term of office. If the actual term of office is shorter than that set out in the service contract, the director in question shall be entitled to proportional amount of salary according to his actual term of office;
 - (ii) Discretionary management bonus determined by the Board, subject to the condition that the total amount of bonus payable to all the executive Directors during any financial year shall not exceed 10% of the audited consolidated net profit of the Group after deducting taxation and minority interests;
 - (iii) Share options determined and granted by the Board under the share option scheme adopted by the Company; and
 - (iv) Restricted shares and incentive shares determined by the Board under the relevant share award plans.

2. The remuneration of non-executive Directors (including independent non-executive directors) includes a fixed director's fee (to be paid monthly during his term of office), share options granted by the Board under its discretion, restricted shares, and incentive shares determined by the Board under the relevant share award plans. If the actual term of office is shorter than that set out in the appointment letter, the director in question shall be entitled to proportional amount of salary according to his actual term of office.

Independent non-executive Directors shall not be involved in any financial interests in the Company and their remuneration should be reviewed once every three years.

3. The remuneration of the Senior Management includes a fixed salary and management bonus, as follows:
 - (i) Fixed monthly salary to be received during his term of office. If the actual term of office is shorter than that set out in the service contract, the Senior Management in question shall be entitled to proportional amount of salary according to his actual term of office; and
 - (ii) Discretionary management bonus determined by the Board, share options granted, restricted shares, and incentive shares, according the performance of both the Group and the Senior Management in question. The main criterion include whether the financial and operational performance objectives of the Group are attained, and whether the individual assessment result achieves grade B or above;

4. The Company can pay any current or retired Director and Senior Management a reasonable sum of money as a compensation for his loss of office or retirement, subject to the approval by shareholders of the Company by ordinary resolution in the general meeting (if Directors) or approval by the Board in the Board meeting of the Company (if Senior Management);
5. The Directors and Senior Management shall be reimbursed for all expenses reasonably incurred by them in the conduct of the Group's business (including entertainment expenses and travelling expenses), provided that proofs are provided upon required by the Board;
6. The abovementioned salaries and management bonus of the Directors and the Senior Management shall be paid by the Company and/or subsidiaries of the Group. If more than one subsidiaries pay the above remuneration, the amount of remuneration should be paid according to the proportion determined by the Board;
7. Apart from the terms set out in the service contract/appointment letter, the Directors and Senior Management should not receive any remuneration (whether a director's fee or other remuneration), compensation or fee, or any other expenses incurred in connection with performing the duties set out in the service contract/appointment letter from any subsidiaries of the Group; and
8. Senior Management (except for non-executive Directors) are entitled to the medical benefits and retirement contribution provided to the staff of the Group.

Procedures of fixing remuneration

1. Remuneration Committee will convene a meeting within three months after each financial year (or any time appropriate as determined by the Committee), to approve the followings:
 - (1) With reference to the Company's Remuneration Policy and factors including the individual performance of the Directors and Senior Management and the results of the Company, to review and determine the fixed remuneration of each executive Directors and Senior Management and consult the Chairman and/or the President about their proposals relating to the remuneration of these executive Directors, and make recommendation to the Board of the remuneration of non-executive Directors;
 - (2) to make recommendation to the Board of whether to pay the management bonuses and their distribution;

- (3) to make recommendation to the Board of granting of share options, restricted shares, other incentive shares, and related matters, the Board will determine the same in accordance with the relevant share option scheme or share award plans;
 - (4) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
 - (5) 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;
2. The remuneration of Directors (including non-executive Directors) are subject to the approval by shareholders, but shareholders may authorise the Board to fix and approve the remuneration of Directors on their behalf in the annual general meeting according to the Company's Articles; the remuneration of Senior Management are subject to the approval by the Board, however the Board may authorise the chairman of the Board and/or the President to fix and approve the remuneration of Senior Management on its behalf;
3. Regarding the compensation for loss of office or retirement of the executive Directors and Senior Management, the Remuneration Committee should report to the Board, and the compensation is subject to the approval by shareholders of the Company by ordinary resolution in the general meeting (if a Director) or approval by the Board in the Board meeting of the Company (if Senior Management); and
4. No Directors or Senior Management or any of his/her associates is allowed to determine his own remuneration.

Note: According to paragraph 12.1 of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, it is the responsibility of the Directors of the Company to determine which individual or individuals constitute senior management. For the purpose of this Policy, "Senior Management" means the positions mentioned in the annual reports of the Company.

Date of adoption : 11 January 2007

(resolved and approved by the Board on the same date)

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21 March 2011

(resolved and approved by the Board on the same date)

23 March 2021

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23 February 2023
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Should there be any discrepancy between the English and Chinese versions, the Chinese version shall prevail.