

Shanghai Chicmax Cosmetic Co., Ltd.

**TERMS OF REFERENCE OF THE REMUNERATION AND APPRAISAL COMMITTEE
OF THE BOARD OF DIRECTORS**

**(Approved on December 5, 2022 in the eleventh meeting of the first session of
the board of directors of the Company)**

Shanghai Chicmax Cosmetic Co., Ltd.

TERMS OF REFERENCE OF THE REMUNERATION AND APPRAISAL COMMITTEE OF THE BOARD OF DIRECTORS

CHAPTER 1 GENERAL PROVISIONS

- Article 1** These terms of reference (these “**Terms**”) are established by Shanghai Chicmax Cosmetic Co., Ltd. (the “**Company**”) for the Remuneration and Appraisal Committee (the “**Remuneration and Appraisal Committee**” or the “**Committee**”) under its board of directors (the “**Board**”) in accordance with the Company Law of the People’s Republic of China, the Articles of Association of Shanghai Chicmax Cosmetic Co., Ltd. (the “**Articles of Association**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and other relevant laws, administrative regulations and regulatory documents in order to further establish and refine the appraisal and remuneration management system of the Board and the senior management.
- Article 2** The Remuneration and Appraisal Committee is a body of the Board specifically set up by the Board in accordance with resolutions of general meetings, and is mainly responsible for the review, supervision and execution of the remuneration system and performance appraisal system which is with binding and incentivizing purposes, proposals to the Board regarding the remuneration system, the appraisal system and the incentive scheme, and the evaluation of the performance and actions of directors and senior management.
- Article 3** These Terms shall apply to the Remuneration and Appraisal Committee and relevant personnel and departments involved in these Terms.

CHAPTER 2 COMPOSITION

- Article 4** The Remuneration and Appraisal Committee shall comprise of at least three directors, of which the majority shall be independent non-executive directors.
- Article 5** The chairman and members of the Remuneration and Appraisal Committee shall be appointed and removed by the Board in accordance with the procedures provided in laws and regulations, listing rules of the stock exchange where the Company’s shares were listed and the Articles of Association.
- Article 6** The Remuneration and Appraisal Committee shall have one chairman, who shall be the convener. The chairman shall be elected among the members who are independent non-executive directors and shall be responsible for presiding over the work of the Remuneration and Appraisal Committee.

Article 7 The term of office of the Remuneration and Appraisal Committee shall correspond to the term of office of the director. Members of the Remuneration and Appraisal Committee may serve consecutive terms if re-elected. In the event that during the term a member of the Remuneration and Appraisal Committee ceases to be a director of the Company, his/her membership on the Remuneration and Appraisal Committee shall lapse automatically. A member may submit resignation to the Board before the expiration of his/her term of office. Such resignation report shall specify reasons for the resignation and any matters which would require the attention of the Board of the Company. Adjustments to members of the Remuneration and Appraisal Committee may be made during their term of office by the Board as and when proposed by the chairman of the Board and discussed and approved by the Board. When the number of Remuneration and Appraisal Committee members falls below the required number of the Remuneration and Appraisal Committee members under these Terms, the Board shall appoint additional members to the Remuneration and Appraisal Committee in accordance with these Terms to fill the vacancies. The term of office of such additional members will expire as their term of office as directors expires.

CHAPTER 3 DUTIES AND RESPONSIBILITIES

Article 8 Main duties and powers of the Remuneration and Appraisal Committee include:

- (1) making recommendations to the Board regarding the remuneration policy and structure for all directors and senior management and formal and transparent procedures to establish such remuneration policies;
- (2) reviewing and approving proposals on the remuneration of the management through referencing company goals and objectives of the Board;
- (3) (i) making recommendations to the Board on the remuneration packages of all executive directors and senior management, or (ii) determining, with delegated responsibility, remuneration packages of executive directors and senior management. Such remuneration packages shall include benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment). Also, the Committee shall be responsible for supervising the implement of the remuneration system of the Company.

If paragraph (3)(i) of the above is adopted, where the Board resolves to approve any remuneration or compensation arrangements with which the Remuneration and Appraisal Committee disagrees, the Board should disclose the reasons for its resolution in its next Corporate Governance Report;

- (4) making recommendations to the Board regarding the remuneration of non-executive directors;
- (5) considering remunerations paid by of comparable companies, time commitment and responsibilities, and other employment conditions of the Company and its subsidiaries;

- (6) reviewing and approving recommendations on the remuneration of senior management with reference to the Board's corporate goals and objectives;
- (7) reviewing and approving 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;
- (8) reviewing and approving compensation arrangements related to dismissal or removal of directors for misconduct to ensure such arrangement is consistent with contractual terms and is otherwise fair and not excessive;
- (9) ensuring that no director or any of his/her associates is involved in deciding his/her own remuneration;
- (10) reviewing and/or approving and/or recommending to the Board matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and
- (11) other matters authorized by the Board.

Article 9

Main duties and powers of the chairman of the Remuneration and Appraisal Remuneration and Appraisal Committee include:

- (1) convening and chairing the meetings of the Remuneration and Appraisal Committee, signing and issuing the resolutions of the meetings;
- (2) proposing the convening of extraordinary meetings;
- (3) heading the Remuneration and Appraisal Committee and ensuring its effective operation and performance of duties;
- (4) ensuring that a clear conclusion is drawn for each topic discussed by the Remuneration and Appraisal Committee, such conclusion may be passed, rejection or deferral (to be reconsidered with supplementary materials);
- (5) determining the agenda of each Remuneration and Appraisal Committee meeting;
- (6) ensuring that all members present at the Remuneration and Appraisal Committee meeting are informed of the matters to be discussed at such meeting and that every member is provided with complete and reliable information; and
- (7) other duties as stipulated in the laws, regulations, the Hong Kong Listing Rules and other relevant regulatory rules of the places where the shares of the Company are listed, these Terms and as required or delegated by the Board.

Article 10 Main duties and powers of the members include:

- (1) attending the meetings of the Remuneration and Appraisal Committee on time, expressing their opinion on matters deliberated at the meetings and exercising their voting rights;
- (2) proposing matters to be deliberated at the meetings of the Remuneration and Appraisal Committee;
- (3) attending relevant meetings of the Company as non-voting delegates or visitors, conducting surveys and researches and collecting relevant information such as reports, documents and materials for the purpose of discharging their duties;
- (4) fully understanding the duties of the Remuneration and Appraisal Committee and those of himself/herself as a member of the Remuneration and Appraisal Committee and acquainting himself/herself with relevant information on the operation and management, business activities and development of the Company to ensure his/her capacity for discharging duties;
- (5) fully ensuring that he/she has sufficient working hours and energy to fulfil his/her duties; and
- (6) other duties as stipulated in the laws and regulations, the Hong Kong Listing Rules and other relevant regulatory rules of the places where the shares of the Company were listed, these Terms and as required or delegated by the Board.

Article 11 The Remuneration and Appraisal Committee shall be accountable to the Board and any proposal from the Remuneration and Appraisal Committee should be submitted to the Board for consideration and approval, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements). The Remuneration and Appraisal Committee shall provide the Board with discussions, materials and information in the forms of reports, proposals and conclusions for consideration and decision-making.

CHAPTER 4 RULES OF PROCEDURE

Article 12 The Remuneration and Appraisal Committee shall hold a meeting at least once a year as required by the Board or proposed by the members of the Remuneration and Appraisal Committee.

The office of the Board of the Company shall notify all members two (2) days before the meeting, however, the above notice period can be exempted with the unanimous consent of all members attending the meeting.

All meetings shall be chaired by the chairman of the Remuneration and Appraisal Committee. The chairman can appoint a member to chair the meeting if he/she is not available to attend this meeting.

- Article 13** The notice of the meeting should include the location and time of the meeting, the duration of the meeting, the meeting agenda, and the issues to be discussed, as well as the date of the notice. The notice of the meeting can be delivered by hand, facsimile, e-mail, or registered mail.
- Article 14** Meetings may be held by way of on-site meetings or by means of correspondence meetings. Correspondence meetings include telephone conferences, video conferences and meetings to consider written proposals, etc.
- Article 15** The quorum of a meeting of the Remuneration and Appraisal Committee shall be not less than two-thirds of the members (including proxies appointed in writing authorizing another member of the Committee to attend the meeting). Each member shall have one vote. A resolution of the meeting shall be passed by more than half of the members.
- Article 16** Voting at the meeting of the Remuneration and Appraisal Committee shall be taken by a show of hands or other voting methods as determined by the chairman.
- Article 17** Directors of the Company and relevant senior management may be invited to attend the meetings of the Remuneration and Appraisal Committee when necessary. Such persons being invited shall give explanations and elaboration on relevant matters at the request of the Remuneration and Appraisal Committee members. The directors of the Company who are not a member of the Remuneration and Appraisal Committee may attend the Remuneration and Appraisal Committee meetings in non-voting capacity.
- Article 18** The Company should provide the Remuneration and Appraisal Committee sufficient resources to perform its duties. The Remuneration and Appraisal Committee may appoint intermediaries when necessary to provide independent professional opinions at a reasonable fee thereto at the expense of the Company.
- Article 19** The convening procedures, voting methods and resolutions to be approved at the meetings of the Remuneration and Appraisal Committee shall comply with relevant laws and regulations, listing rules of the stock exchange where the Company's shares were listed, the Articles of Association, and these Terms.
- Article 20** The Remuneration and Appraisal Committee shall keep minutes of its meetings. The members present at the meeting and the secretary to the Board attending the meeting without voting right shall sign the minutes of the meeting of the Remuneration and Appraisal Committee. The minutes of the meeting shall be kept by the secretary to the Board of the Company in accordance with the Company's file management system.
- Article 21** Any resolutions passed and the result of any polls taken at a meeting of the Remuneration and Appraisal Committee shall be reported in writing to the Board.

Article 22 If a member of the Remuneration and Appraisal Committee is interested in any matter being considered by the Remuneration and Appraisal Committee, such member shall abstain from voting on such matter.

Article 23 All persons attending the meetings of the Remuneration and Appraisal Committee shall keep all matters discussed at the meetings confidential and shall not disclose any such information without authorization.

Article 24 All members of the Remuneration and Appraisal Committee shall attend the meeting in person. If a member is unable to attend the meeting in person, such member shall, by signing and submitting a letter of proxy, authorize another member of the Remuneration and Appraisal Committee to attend and express opinion at the meeting on his/her behalf. Such letter of proxy shall expressly state the scope and term of the authorization. Any member of the Remuneration and Appraisal Committee shall not accept appointments of proxy by two or more members simultaneously.

The member attending a meeting on behalf of another member shall exercise the rights within the scope of authorization. If a member does not attend a meeting in person or authorize another member to exercise the rights on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting, he/she shall be deemed to have waived his/her rights.

A member who is unable to attend a meeting in person may also exercise his/her rights by submitting in writing his/her opinion with respect to any matter on the meeting agenda, provided that such written opinion shall be submitted to the office of the Board before the meeting.

Article 25 If a member does not attend a meeting in person or authorize another member to attend such meeting on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting on two consecutive occasions, or if such member fails to attend in person 3/4 of all meetings of the Remuneration and Appraisal Committee held during any year, such member shall be deemed incapable of performing the duties of the Remuneration and Appraisal Committee, and the Board may replace him/her in accordance with these Terms.

CHAPTER 5 COORDINATION AND COMMUNICATION

Article 26 In the event that the Remuneration and Appraisal Committee encounters any significant or special matters that require to be considered by the Board for study when the Board is in recess, it may submit a written report to the Board through the secretary to the Board and propose to the chairman of the Board to convene a Board meeting for discussion.

- Article 27** Any written report submitted by the senior management to the Remuneration and Appraisal Committee shall be signed and issued by the general manager or senior management in charge of the relevant matter and submitted to the Remuneration and Appraisal Committee through the secretary to the Board or the office of the Board.
- Article 28** Written reports submitted by the Remuneration and Appraisal Committee to the Board shall be signed and issued by the chairman or a member authorized by him/her, and shall be submitted to the Board through the secretary to the Board.
- Article 29** In the event that the senior management of the Company encounters any significant or special matter when the Remuneration and Appraisal Committee is in recess, it may submit a written report to the Remuneration and Appraisal Committee through the secretary to the Board or the office of the Board and may propose to the chairman of Remuneration and Appraisal Committee to convene a meeting for discussion.
- Article 30** The Remuneration and Appraisal Committee shall report to the Board by the chairman or a member authorized by him/her on the work since the last regular Board meeting or make a thematic presentation on a particular issue.
- Article 31** The Remuneration and Appraisal Committee shall consult the chairman and/or chief executive about the remuneration proposals for other executive directors. The Remuneration and Appraisal Committee shall have access to independent professional advice if necessary.

CHAPTER 6 WORKING BODY OF THE BOARD

- Article 32** The secretary to the Board of the Company is responsible for organizing and coordinating the work of the Remuneration and Appraisal Committee and relevant departments. The secretary to the Board may attend the meetings of the Remuneration and Appraisal Committee.
- Article 33** The office of the Board of the Company and relevant departments of the Company shall cooperate in performing tasks in relation to the Remuneration and Appraisal Committee.

CHAPTER 7 SUPPLEMENTARY PROVISIONS

- Article 34** These Terms shall take effect from the date of listing of overseas listed foreign shares (H Shares) issued by the Company on the Main board of the Hong Kong Stock Exchange after being considered and approved by the Board of the Company. The same shall apply to any amendments to these Terms.

- Article 35** Any matters not covered by these Terms shall be implemented in accordance with the provisions of relevant laws, regulations and regulatory documents of the State, listing rules of the stock exchange where the Company's shares were listed and the Articles of Association. Where there is a conflict between these Terms and the laws, regulations and regulatory documents of the State, the listing rules of the stock exchange where the Company's shares were listed and the Articles of Association, these Terms shall be implemented in accordance with the provisions of relevant laws, regulations and regulatory documents of the State, the listing rules of the stock exchange where the Company's shares were listed and the Articles of Association.
- Article 36** In these Terms, "at least", "within" and "below" are inclusive of the principal amount whereas "more than", "less than", "other than", "lower than" and "more than" are exclusive of the principal amount.
- Article 37** These Terms shall be interpreted by the Board.
- Article 38** These Terms are available in both Chinese and English. In the event of any inconsistency between the two versions, the Chinese version shall prevail.
- Article 39** The Remuneration and Appraisal Committee should make available these Terms on the websites of the Stock Exchange of Hong Kong Limited and the Company.