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FINANCIAL STREET PROPERTY CO., LIMITED

金融街物業股份有限公司

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

(Stock code: 1502)

(hereinafter the “Company”)

**TERMS OF REFERENCE FOR THE REMUNERATION
COMMITTEE OF THE BOARD OF DIRECTORS**

Adopted by the Board on 9 June 2020 and revised on 23 March 2023

DEFINITIONS

1	Company	Financial Street Property Co., Limited (金融街物業股份有限公司)
2	Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
3	Board	the board of directors of the Company
4	Articles of Association	the articles of association of Financial Street Property Co., Limited as amended from time to time
5	Company Law	the Company Law of the People's Republic of China (中華人民共和國公司法)
6	Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, guidance letters, listing decisions and other regulatory documents issued by the Hong Kong Stock Exchange, as updated from time to time
7	Listing Regulations for the Company's shares	rules, regulations, guidelines and other regulatory documents that are issued and updated from time to time by regulatory authorities and stock exchanges of places where the Company's shares are listed and that the Company is required to comply with, including but not limited to regulatory documents issued by the Hong Kong Securities and Futures Commission and the Listing Rules
8	laws and regulations	laws, regulations, rules and regulatory documents formally issued and implemented and not abolished by the PRC government
9	PRC	the People's Republic of China, which for the purpose of herein shall only describes an geographic coverage and exclude the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan for any reference to the "PRC" unless the context otherwise requires
10	more than or less than	the references to "more than" or "less than" herein shall include the given figure

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TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE OF THE BOARD OF DIRECTORS

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to improve the decision-making procedures of the Board of the Company, optimize structure of corporate governance and fully safeguard the legal interests of the Company and its shareholders, the Company has formulated these terms of reference in accordance with the Company Law, the Listing Rules, and the Articles of Association and other relevant rules.

Article 2 The Remuneration Committee is established by the Board and shall report to the Board.

Article 3 The Remuneration Committee shall be responsible for formulation and review of remuneration policies and plans for the Directors and members of senior management, study and revision of appraisal criteria for the Directors and members of senior management and conducting the evaluation and providing recommendations thereon.

CHAPTER 2 COMPOSITION AND ORGANIZATION OF THE REMUNERATION COMMITTEE

Article 4 The Remuneration Committee shall be composed of three Directors, and the majority of them shall be independent non-executive Directors. The Remuneration Committee shall have one chairman, who shall be a non-executive Director.

Article 5 The duties and power of the chairman of the Remuneration Committee are as follows:

- (1) to be in charge of the work of the Remuneration Committee;
- (2) to convene and preside over regular and extraordinary meetings of the Committee;
- (3) to supervise and review the execution of resolutions at meetings of the Committee;
- (4) to execute material documentation of the Remuneration Committee;
- (5) to report to the Board of the Company regularly or according to the arrangements of the Board of its duties;
- (6) other duties and power authorized by the Board.

Article 6 The Remuneration Committee should consult the Chairman of the Board and/or general manager about their remuneration proposals for other executive Directors. The Remuneration Committee should have access to independent professional advice if necessary.

Article 7 The terms of office of the members of the Remuneration Committee shall be the same as of their directorship. Members of the Remuneration Committee may be re-elected or re-appointed at the expiry of their terms of office.

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.

If any member ceases to be a Director of the Company before the expiry of his/her term of office or, as an independent non-executive Director, no longer have the independency required by the Articles of Association or the Listing Rules, he/she shall be automatically disqualified from acting as a Committee's member, and such vacancy shall be filled by the Board pursuant to these terms of reference.

Any change in the membership of the Remuneration Committee which involves changes in the Board member shall be approved on a general meeting in accordance with the procedures as required in the Articles of Association and announced in accordance with the regulatory requirements.

Article 8 A member of the Remuneration Committee may concurrently serve as a member of other committees under the Board, provided that such member is capable of concurrently performing such duties.

Article 9 The working body of the Remuneration Committee is the human resources department of the Company. Such working body of the Remuneration Committee is responsible for such daily work as preparing meeting notices, meeting documents, conducting daily contacts with the chairman of the Remuneration Committee, preparing and reporting meeting minutes and meeting resolutions. The Office of the Board is responsible for specific work, including issuing meeting notices, keeping meeting minutes and records of meeting resolutions, jointly preparing for and organizing meetings with the working body of the Remuneration Committee. The Secretariat of the Board is responsible for coordinating the work among the Remuneration Committee, the working body of the Remuneration Committee, and the Office of the Board and presenting at the meeting of the Remuneration Committee.

CHAPTER 3 DUTIES AND POWER OF THE REMUNERATION COMMITTEE

Article 10 The main duties and power of the Remuneration Committee are as follows:

- (1) to provide recommendations to the Board on remuneration policies and frameworks for the Directors and members of senior management as well as the formulation of formal and transparent remuneration policies, including but not limited to the performance evaluation criteria and procedures, the main evaluation system, the major plans and systems for rewards and punishments, etc.
- (2) to formulate the management rules on remuneration and remuneration plans for the Directors, non-employee representative Supervisors and members of senior management and to make recommendations to the Board on specific remuneration packages of such persons, which shall include benefits in kind, pension rights and compensation payment (including compensation payable for loss or termination of office or appointment), and on the application of formal and transparent procedures for developing remuneration policy.

When determining the remuneration and benefits packages of the Directors and members of senior management, the factors that the Remuneration Committee shall take into consideration include the salaries paid by comparable companies, time commitment and responsibilities of the Directors and members of senior management, and the employment conditions for other positions in the Company and whether remuneration shall be determined based on performance, etc.

- (3) to formulate the performance evaluation management methods, the evaluation plans and to determine the evaluation objectives.
- (4) to formulate the remuneration packages for individual Directors and senior management in accordance with the Company's policies, objectives and annual performance evaluation.
- (5) to review and approve 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) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such they are consistent with contractual terms and are otherwise reasonable and appropriate.
- (7) to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration.
- (8) to review the performance by the Directors and members of senior management of their duties and to conduct annual evaluation on their performance.
- (9) to supervise the effective implementation of the Company's remuneration system.
- (10) to consider the Company's share incentive plan(s) and provide recommendations thereon.
- (11) to report to the Board its decisions or recommendations, except those which cannot be reported because of the laws or regulatory restrictions.
- (12) other matters authorized by the Board.
- (13) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.
- (14) other relevant requirements for duties and power of the Remuneration Committee according to the Listing Regulations for the Company's shares as amended from time to time.

The Remuneration Committee can engage professional institutions for assistance when it performs the above duties and power.

Article 11 The Remuneration Committee shall report to the Board. The motions raised by the Remuneration Committee shall be submitted for the review and approval by the Board, unless otherwise authorized by the Board.

Article 12 Any remuneration plan proposed by the Remuneration Committee shall be agreed on by the Board and then submitted to the shareholders' general meeting for consideration and approval prior to implementation. Any proposal of remuneration distribution plan for members of senior management of the Company shall be submitted to the Board for approval.

Article 13 The Board has the veto right to remuneration proposals which are detrimental to the interests of all shareholders.

Article 14 The Company shall provide necessary funds and other resources to the Remuneration Committee for performing its duties.

Article 15 The Remuneration Committee shall respond to the invitation by the Chairman of the Board and have the Chairman of the Remuneration Committee (or, where the Chairman is unable to present, another member or his or her authorized representative) attend each annual general meeting and answer questions raised thereon.

Article 16 The Remuneration Committee shall make available these terms of reference and explain its role and the authority delegated to it by the Board on the Company's website and Stock Exchange's website in accordance with the relevant requirements of the Listing Rules.

CHAPTER 4 WORK PROCEDURES OF THE REMUNERATION COMMITTEE

Article 17 The working body of the Remuneration Committee and relevant departments of the Company are responsible for the preparatory work in relation to the decision-making of the Remuneration Committee and to provide relevant written materials in accordance with the requirements of the Remuneration Committee in a timely, complete and accurate manner, including:

- (1) the progress of fulfillment by the Company of its key financial targets and business objectives;
- (2) the division of labor of the Company's members of senior management and the execution of their respective main duties;
- (3) the progress of target achievement considered in the appraisal system of working performance of Directors and members of senior management;
- (4) the basis for formulating the Company's plans and remuneration distribution methods based on the Company's performance.

Article 18 The Remuneration Committee shall appraise generally after the end of financial year; specific appraisal shall be conducted when it involves change of the Board and the appointment of members of senior management. The procedures of appraisal are as follows:

- (1) the Directors and members of senior management of the Company shall report their work and provide self-appraisals to the Remuneration Committee;
- (2) The Remuneration Committee shall carry out performance appraisal of the Directors and members of senior management according to the performance appraisal criteria and procedures;

- (3) the innovation capability and business potential of the Directors and senior management of the Company shall be assessed.

Article 19 A proposal on the amounts of remuneration and incentive methods for the Directors and members of senior management based on the results of performance appraisal and the remuneration policies shall be made and, after being passed by voting, reported to the Board.

CHAPTER 5 MEETINGS OF THE REMUNERATION COMMITTEE

Article 20 Meetings of the Remuneration Committee can be classified into regular meetings and extraordinary meetings.

Article 21 The Remuneration Committee shall hold at least one regular meeting annually.

Article 22 The Committee may hold any extraordinary meeting when necessary. An extraordinary meeting shall be convened by the Chairman of the Committee upon occurrence of any of the following circumstances:

- (1) whenever the Board deems necessary;
- (2) whenever the chairman of the Committee deems necessary;
- (3) when proposed by more than two of the members of the Committee.

Article 23 A notice of meeting stating the date and venue of the meeting, form of meeting, reason and proposed resolution, convener and chairperson of the meeting shall be given to all members of the Remuneration Committee no later than five days prior to the meeting by phone, e-mail, or fax.

Article 24 A meeting of the Remuneration Committee shall be presided over by the Chairman of the Committee or if he/she is unable to attend, another member (independent nonexecutive Director) of the Committee designated by him/her.

Article 25 A meeting of the Remuneration Committee shall not be held unless attended by above two-thirds of its members. Members of the Remuneration Committee shall attend the meeting in person or in a manner of teleconference or by aid of similar communication equipment. If the member is unable to attend the meeting for certain reason, he/she may authorize another committee member in writing to attend the meeting and vote at the meeting on his/her behalf. The power of attorney shall specify the name of the proxy, the matters delegated, and the scope and term of authorization, and shall bear the signature or seal of the principal and shall be submitted to the chairman of the meeting before the time when voting takes place in the meeting.

Article 26 If a meeting of the Remuneration Committee is held, the Committee may invite the Company's other Directors, supervisors, and members of senior management to sit in on the meeting when necessary. If necessary, the Remuneration Committee may also engage the intermediaries to provide individual and professional opinions on its decision-makings, and shall sign a confidentiality agreement. All the expenses caused thereby shall be borne by the Company.

Article 27 Each member shall have one vote in the voting. The resolutions adopted at the meetings shall be effective only when being approved by more than half of all members. In the event of an equality of votes, the chairman of the meeting shall be entitled to an additional vote.

Article 28 Where a member of the Remuneration Committee is involved in the matter being discussed at a meeting of the Remuneration Committee, he/she shall be abstained from attending such meeting.

Article 29 The procedures for convening a meeting of the Remuneration Committee, the voting method and the remuneration policies and allocation plans passed at such meeting shall be in compliance with the provisions of the relevant laws, regulations, the Articles of Association and these terms of reference.

Article 30 Resolutions passed at a meeting of the Remuneration Committee and any vote results shall be reported to the Board of the Company in writing.

Article 31 Members attending and sitting in on a meeting of the Remuneration Committee shall undertake confidentiality obligations for all items discussed at the meeting and shall not disclose the relevant information without approval.

Article 32 There shall be complete minutes of any meeting of The Remuneration Committee. Members attending such meeting shall sign the minutes. The meeting minutes shall be kept by the Office of the Board and made available for inspection by Directors at any time.

Article 33 The first draft of minutes of the Remuneration Committee shall be submitted to all members for review as soon as possible and they shall provide written amendment suggestions. The final draft of the meeting minutes shall be finished within a reasonable time after the meetings and shall be sent to all the members for record.

CHAPTER 6 THE SUPERVISION AND ASSESSMENT SYSTEM OVER THE REMUNERATION COMMITTEE BY THE BOARD

Article 34 The Remuneration Committee is supervised by the Board of the Company which would assess the work of the Remuneration Committee at the end of each year.

Article 35 Criteria of assessment mainly include:

- (1) whether the terms of reference satisfy the requirements of the laws and regulations and regulatory requirements;
- (2) whether the members of the Remuneration Committee are independent of the management of the Company;
- (3) whether each member has the legal qualification, appropriate professional capabilities and experience for taking office;
- (4) whether each member fully understands and performs his/her duties;

Article 36 The Remuneration Committee shall submit the annual work report to the Board within four months from the end of each accounting year. The Remuneration Committee shall ensure that the Company disclose details of any remuneration payable to members of senior management by band in its annual reports.

CHAPTER 7 SUPPLEMENTARY PROVISIONS

Article 37 Unless otherwise stated, terms used in these terms of reference shall have the same meanings ascribed to them in the Articles of Association.

Article 38 These term of reference shall be approved by more than half of the Directors present at the Board meeting and shall be effective on the date of the listing of the H shares of the Company on the Main Board of the Hong Kong Stock Exchange. These terms of reference may be taken as a reference before the date of the listing of the H shares of the Company on the Main Board of the Hong Kong Stock Exchange.

Article 39 Any matters not covered by these terms of reference or in the event that these terms of reference are inconsistent with the laws and regulations, the Listing Regulations for the Company's shares and the Articles of Association, the laws and regulations, the Listing Regulations for the Company's shares and the Articles of Association shall prevail and these term of reference shall be amended as soon as possible and submitted to the Board for consideration and approval.

Article 40 The amendments to and the interpretation of these terms of reference shall be made by the Board.