

Tianjin Jinran Public Utilities Company Limited

(Stock code: 01265)

Rules of Procedure of the Remuneration Committee of the Board

(Considered and approved by the 33rd Meeting of the 7th session of the Board of Directors)

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CHAPTER I GENERAL PROVISIONS

Article 1 In order to establish and improve the performance appraisal and evaluation system of the senior management personnel of Tianjin Jinran Public Utilities Company Limited (hereinafter referred to as “**the Company**”), formulate a scientific and effective remuneration management system, and implement the Company’s talent development and utilization strategy, according to the resolution of the Company’s Board of Directors (hereinafter referred to as “**the Board**”), the Company has resolved to set up a remuneration committee of the Board (hereinafter referred to as the “**Remuneration Committee**”) to formulate and manage the Company’s senior human resources remuneration plan for the Board and evaluate the performance indicators of senior management personnel. The Remuneration Committee reports to and is accountable to the Board.

Article 2 In order to carry out its work in a standardized and efficient manner, the Board has formulated the Rules of Procedure for the Remuneration Committee of the Board of Directors of Tianjin Jinran Public Utilities Company Limited (hereinafter referred to as the “**Rules of Procedure**”) in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “**Company Law**”), the Articles of Association, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Listing Rules**”) and other relevant provisions.

Article 3 The resolutions of the Remuneration Committee shall comply with the provisions of the Articles of Association, the Listing Rules, the Rules of Procedure and other relevant laws and regulations. If the resolution of the Remuneration Committee violates the provisions of the Articles of Association, the Listing Rules, the Rules of Procedure and other relevant laws and regulations, the resolution shall be invalid; if the decision-making procedure of the Remuneration Committee violates the provisions of the Articles of Association, the Listing Rules, the Rules of Procedure and other relevant laws and regulations, the interested party concerned may apply to the Board to revoke such the resolution within 60 days from the date of the resolution.

CHAPTER II COMPOSITION OF PERSONNEL

Article 4 The Remuneration Committee shall comprise at least three members, all of whom shall be composed of directors and elected by the Board.

Article 5 The Remuneration Committee shall have a chairman, who shall be an independent non-executive Director with relevant knowledge and work experience. The Chairman of the Remuneration Committee is appointed by the Board. The Chairman of the Remuneration Committee shall be responsible for convening and presiding over meetings of the Remuneration Committee, and appoint another member to act in his or her place in the event that the Chairman of Remuneration Committee is unable or unavailable to perform his or her duties. If the Chairman of the Remuneration Committee does not perform his or her duties nor designates another member to act in his or her place, any member may report the situation to the Board and the Board shall designate a member to perform the duties of the Chairman of the Remuneration Committee.

Article 6 Members of the Remuneration Committee must meet the following conditions:

- (1) there is no circumstance prohibiting him/her from acting as a director, supervisor, senior management of a company under the Company Law, the Articles of Association or the Listing Rules;
- (2) he or she has not been subject to public reprimand and has not been declared as an inappropriate candidate by a stock exchange within the past three years;

- (3) he or she has not been subject to any administrative penalty by the China Securities Regulatory Commission for material non-compliance of laws and regulations within the past three years;
- (4) he or she has good integrity and has human resource management, enterprise management, finance, law and other relevant professional knowledge or work background; and
- (5) he or she meets other conditions stipulated by relevant laws, regulations or the Articles of Association and the Listing Rules.

Article 7 Persons who do not meet the requirements for holding office as provided for in the preceding article shall not be elected as members of the Remuneration Committee. If a member of the Remuneration Committee is found to be unsuitable for the position under the circumstances specified in the preceding article during his or her term of office, the member shall resign voluntarily or be replaced by the Board.

Article 8 The term of office of each session of the members of the Remuneration Committee shall be three years, and shall be the same as the term of the same session of the Board of Directors. Upon expiration of their term of office, members may be re-elected. If a member ceases to serve as a director of the Company during the term, he or she will automatically lose his or her membership. Before the expiration of the term of office of the members of the Remuneration Committee, unless there are circumstances stipulated in the Company Law, the Articles of Association, the Listing Rules or these Rules of Procedure, they shall not be dismissed without cause.

Article 9 If the number of members of the Remuneration Committee is less than three due to the resignation or dismissal of members or other reasons, the Board shall elect new members as soon as possible.

Article 10 The provisions of the Company Law, the Articles of Association and the Listing Rules on the obligations of directors shall apply to the members of the Remuneration Committee.

CHAPTER III DUTIES AND POWERS

Article 11 The Remuneration Committee is a specialized agency under the Board that is mainly responsible for the formulation, management and assessment of the remuneration system for senior managers of the Company. The Remuneration Committee reports to and is accountable to the Board. In accordance with the provisions of relevant laws, regulations, the Articles of Association or the Listing Rules or the authorization of the Board, the Remuneration Committee may also formulate remuneration systems or remuneration packages for directors and non-employee representative supervisors. The Remuneration Committee shall consult the Chairman of the Board about the remuneration proposals for other executive Directors.

Article 12 The major duties and powers of the Remuneration Committee are as follows:

- (1) make recommendations to the Board on the Company's policy and structure for all Directors', supervisors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (2) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

- (3) determine, with delegated responsibility from the Board, the remuneration packages of individual executive Directors, supervisors 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;
- (4) make recommendations to the Board on the remuneration of non-executive Directors;
- (5) be responsible for formulating appraisal standards and evaluating the Company's Directors, supervisors and senior management;
- (6) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere;
- (7) review and approve compensation payable to executive Directors, supervisors 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) review and approve compensation arrangements relating to dismissal or removal of Directors and supervisors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (9) ensure that no Director or any of his or her associates is involved in deciding his or her own remuneration;
- (10) consider the Company's overall salary adjustment proposal, incentive system, share rights and options (or in similar manner) scheme and remuneration system adjustment proposal;
- (11) review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules;
- (12) consider the Company's training plan; and
- (13) consider such other matters as defined in the provisions of relevant laws, regulations, the Articles of Association or the Listing Rules or assigned by the Board from time to time.

Article 13 The exercise of the duties and powers of the Remuneration Committee must comply with the relevant provisions of the Company Law, the Articles of Association, the Listing Rules and the Rules of Procedure, and shall not prejudice the interests of the Company and its shareholders.

Article 14 The job responsibilities, performance appraisal system and performance appraisal indicators of senior managers formulated by the Remuneration Committee shall be implemented after approval by the Board.

Article 15 The remuneration plan for directors and shareholder representative supervisors proposed by the Remuneration Committee shall be submitted to the general meeting for approval after deliberation by the Board, and the remuneration plan for senior management formulated by the Remuneration Committee shall be directly submitted to the Board for approval.

Article 16 Any share incentive scheme formulated by the Remuneration Committee shall be subject to the approval by the Board and the general meeting.

Article 17 Except for matters expressly required to be approved by the Board and the General Meeting under laws and regulations, the Articles of Association, the Listing Rules and the Rules of Procedure, the Remuneration Committee shall have the right to decide on other duties and powers stipulated in Article 12 and matters within the scope of the authorization of the shareholders' meeting and the Board.

Article 18 When the Remuneration Committee performs its duties, the relevant departments of the Company shall cooperate, and the necessary expenses shall be borne by the Company. If required, the Remuneration Committee may seek independent professional advice at the Company's expense.

CHAPTER IV CONVENING AND NOTICE OF MEETINGS

Article 19 The Remuneration Committee shall hold regular meetings and extraordinary meetings. At least one meeting of the Remuneration Committee shall be convened in each financial year. Regular meetings shall be held within four months of the end of the previous financial year and before the regular meeting of the Board. The Chairman of the Remuneration Committee or two or more members may request an extraordinary meeting of the Remuneration Committee.

Article 20 The regular meetings of the Remuneration Committee shall mainly evaluate the achievement of the performance indicators of senior management in the previous financial year, and provide opinions or recommendation to the Board according to the results of the evaluation. In addition to the provisions of the preceding paragraph, regular meetings of the Remuneration Committee may also discuss other matters within the terms of reference and specified in the notice of the meeting.

Article 21 Meetings could be conducted by way of physical conference, or in manners other than physical conference through voting by correspondence.

Except as otherwise provided in the Articles of Association, the Listing Rules or the Rules of Procedure, a meeting of the Remuneration Committee may, provided that members can fully express their opinions, send resolutions to the email address of the participating members by e-mail, and mail them to the Company after being signed by the participating members.

If correspondence voting is used, members of the Remuneration Committee who have given their reply by mail shall be deemed to have attended the relevant meeting and agreed to the content of the meeting.

Article 22 Unless all members of the Remuneration Committee unanimously agree to waive the notice requirement of the meeting, a notice of the meeting shall be given seven days before the opening of the meeting (excluding the day of the meeting).

Article 23 The notice of the meeting of the Remuneration Committee shall include at least the following contents:

- (1) the time and place of the meeting;
- (2) the duration of the meeting;
- (3) the topics to be discussed at the meeting;
- (4) contact persons and contact information for the meeting; and
- (5) the date of the notice of the meeting.

Article 24 Meetings of the Remuneration Committee may be notified in writing, by telephone, e-mail or other expedient manners. When notification is given in an expedient manner such as telephone or e-mail, unless due to address errors or technical reasons, if no written objection is received within two days from the date of notification, the notified person shall be deemed to have received the notice of the meeting.

CHAPTER V DELIBERATION AND VOTING PROCEDURES

Article 25 A meeting of the Remuneration Committee shall be held only if more than half of the members are present. Directors of the Company may be invited by the Remuneration Committee to attend meetings of the Remuneration Committee, but non-member Directors do not have the right to vote on the proposals for the meeting.

Article 26 Members of the Remuneration Committee may attend the meeting in person, or may entrust other members to attend the meeting on their behalf and exercise their voting rights. A member of the Remuneration Committee can only entrust one other member to exercise the right to vote on his or her behalf at a time; if two or more persons are entrusted to exercise the right to vote on his or her behalf, the entrustment shall be invalid and the member shall be deemed to have not attended such meeting.

Article 27 If a member of the Remuneration Committee entrusts other members to attend the meeting and exercise the right to vote on his or her behalf, he or she shall submit a power of attorney to the presiding officer of the meeting. The power of attorney shall be submitted to the presiding officer no later than before voting at the meeting.

Article 28 The power of attorney shall be signed by the principal and the entrusted person. The power of attorney should include at least the following:

- (1) the name of the appointing person;
- (2) the name of the entrusted person;
- (3) the matters subject to entrustment;
- (4) the instructions for exercising voting rights on the agenda of the meeting (favor, against or abstention) and an explanation of whether the entrusted person can vote according to his or her own wishes if no specific instructions are given;
- (5) the period of authorization for entrustment; and
- (6) the date the power of attorney was signed.

Article 29 If a member of the Remuneration Committee does not attend the meeting in person, and does not entrust other members to attend the meeting on his or her behalf, he or she shall be deemed not to attend the relevant meeting. If a member of the Remuneration Committee fails to attend two consecutive meetings, he or she shall be deemed to be unable to properly perform his or her duties and powers and the Board may remove him or her from office.

Article 30 The resolutions of the Remuneration Committee shall be valid only if passed by a majority of all members (including members who are not present at the meeting). Each member of the Remuneration Committee shall have one vote.

Article 31 After the presiding officer of the Remuneration Committee announces the start of the meeting, it shall begin to deliberate the content of the proposals corresponding to each meeting topic in order.

Article 32 The Remuneration Committee may freely discuss the topics of the meeting, but shall pay attention to maintaining the order of the meeting. Speakers must not use personally offensive or otherwise insulting or threatening language. The presiding officer of the meeting has the right to decide the time of discussion.

Article 33 The meeting of the Remuneration Committee adopts the rule of centralized deliberation and sequential voting on the matters discussed, that is, after all the proposals have been deliberated by all the participating members, the proposals shall be voted on item by item in accordance with the order of deliberation of the proposals.

Article 34 If necessary, the Remuneration Committee may invite other personnel related to the proposals of the meeting to attend the meeting as observers to introduce the situation or express their opinions, but non-members of the Remuneration Committee shall not have the right to vote on the proposals.

Article 35 Members attending the meeting shall deliberate on proposals and fully express their personal opinions in a conscientious and responsible manner; members are responsible for their own votes.

Article 36 Voting at regular meetings and extraordinary meetings of the Remuneration Committee shall be by a show of hands, and the order of voting shall be favor, against or abstention. Each member may only raise his or her hand once to vote on the same proposal, and if he or she raises his or her hand more than once, the last show of his or her hand shall prevail. When a member is present at a meeting on behalf of other members at the same time, if the principal agrees with his or her own vote on the proposal, he or she shall vote by show of hands once, but it shall be regarded as two votes. If the principal disagrees with his or her own vote on the proposal, he or she may vote once by a show of hands according to his or her own opinion and the opinion of the principal. If no special indication is made at the time of voting, any person entrusted to attend the meeting shall be deemed to have voted line with the vote of the appointing person.

Article 37 The presiding officer of a meeting shall tally the voting results of each proposal and announce them on the spot, and the minutes taker shall record the voting results.

CHAPTER VI RESOLUTIONS AND MINUTES OF MEETINGS

Article 38 After each proposal obtains the required number of valid votes, a resolution of the Remuneration Committee shall be formed upon the announcement of the presiding officer of the meeting.

The resolution of the Remuneration Committee shall take effect after being signed by the members present at the meeting, and no amendment or change shall be made to the resolution of the Remuneration Committee that has taken effect in no accordance with the legal procedures stipulated by laws, regulations, the Articles of Association, the Listing Rules and the Rules of Procedure.

Article 39 The members of the Remuneration Committee or the Company Secretary shall notify the Board of the meeting resolution of the Company no later than the day after the resolution of the meeting takes effect.

Article 40 When the resolution of the Remuneration Committee violates laws, regulations, the Articles of Association or the Listing Rules, causing the senior management to obtain improper benefits and the Company suffers serious losses, the members participating in the resolution shall be jointly and severally liable to the Company. However, if it is proved that an objection was expressed at the time of voting and recorded in the minutes of the meeting, the member may be exempted from liability (but not from the liability (if any) imposed on the Director under the Articles of Association or the Listing Rules).

Article 41 During the implementation of the resolution of the Remuneration Committee, the Chairman of the Remuneration Committee or other members designated by him or her shall follow up and inspect the implementation of the resolution, and when any violation of the resolution is found during the inspection, he or she may request and urge the relevant personnel to correct it. If the relevant personnel does not accept the opinion, the chairman of the Remuneration Committee or a member designated by him or her shall report the relevant situation to the Board, and the Board shall be responsible for handling it.

Article 42 Meetings of the Remuneration Committee shall be recorded in writing. Members and minutes recorders attending the meeting shall sign the minutes. Members present at the meeting have the right to request that their statements at the meeting be recorded in the record.

Article 43 The minutes of the meetings of the Remuneration Committee shall include at least the following contents:

- (1) the date, place and name of the person convening of the meeting;
- (2) the names of the persons attending the meeting, and those entrusted by others to attend the meeting shall be specially indicated;
- (3) the agenda of the meeting;
- (4) the main points of members' speeches;
- (5) the manner and result of voting on each resolution or proposal (the result of the vote shall indicate the number of votes cast in favor, against or abstention);
- (6) Other matters that shall be explained and recorded in the minutes of the meeting.

Article 44 Unless otherwise appointed by the Remuneration Committee, the Company Secretary shall act as the secretary of the Remuneration Committee.

Article 45 Written documents such as resolutions of the Remuneration Committee shall be sorted out by the Company Secretary and kept in the Company's archives permanently during the Company's existence.

CHAPTER VII ABSTENTION SYSTEM

Article 46 When an individual member of the Remuneration Committee or his or her immediate family or other enterprises controlled by the members of the Remuneration Committee and his or her immediate family have a direct or indirect interest in the topic discussed at the meeting, the member shall disclose the nature and extent of the interest to the Remuneration Committee as soon as possible.

Article 47 In the scenario mentioned in the preceding article, the interested members shall explain the relevant circumstances in detail at the meeting of the Remuneration Committee and clearly indicate that they will abstain from voting. However, if the other members of the Remuneration Committee agree after discussion that such interests will not have a significant impact on the voting matters, the interested members may participate in the voting.

If the Board deems that it is inappropriate for interested members in the preceding article to participate in voting, it may revoke the voting results of the relevant proposals and request the disinterested members to vote again on the relevant proposals.

Article 48 The meeting of the Remuneration Committee shall deliberate and make resolutions on the proposals without including interested members in the quorum. After the avoidance of an interested member, if the Remuneration Committee does not have the minimum quorum to attend the meeting or is unable to make a resolution, all members (including interested members) shall make a resolution on procedural issues such as the submission of such proposals to the Board for deliberation, and the Board shall deliberate on such proposals.

Article 49 The minutes and resolutions of the Remuneration Committee shall indicate that interested members are not counted in the quorum and do not participate in the voting.

CHAPTER VIII REMUNERATION ASSESSMENT

Article 50 During the intersessional period, the members of the Remuneration Committee may conduct necessary follow-up and understanding of the performance of senior management, and all relevant departments of the Company shall actively cooperate and provide the required information to the members in a timely manner.

Article 51 Members of the Remuneration Committee have the right to access the following relevant information of the Company (including subsidiaries):

- (1) the Company's annual business plan, investment plan and business objectives;
- (2) the Company's periodic reports;
- (3) the Company's financial statements;
- (4) the Company's various management systems;
- (5) the resolutions and minutes of the Company's General Meeting, and meetings of the Board, the Supervisory Committee and the manager's office; and
- (6) other relevant materials.

Article 52 A member of the Remuneration Committee may make enquiries with the senior management of the Company, which the senior management shall answer.

Article 53 The members of the Remuneration Committee shall evaluate the performance indicators, remuneration plan and remuneration level of the Company's senior management personnel based on the information they know and possess, combined with the level of achievement of the Company's business objectives and refer to other relevant factors.

Article 54 Members of the Remuneration Committee shall have the obligation to keep confidential the relevant information they learn about the Company until such information is disclosed.

CHAPTER IX SUPPLEMENTARY PROVISIONS

Article 55 The Rules of Procedure shall take effect on the date of adoption of the resolution of the Board.

Article 56 Matters not covered in the Rules of Procedure shall be implemented in accordance with the relevant provisions of national laws, regulations, the Articles of Association, the Listing Rules and other normative documents. If the Rules of Procedure contradicts national laws, regulations, the Listing Rules or the Articles of Association (including laws and regulations promulgated in the future, the Listing Rules and the Articles of Association as amended by legal procedures), they shall be implemented in accordance with the relevant national laws, regulations, the Articles of Association and the Listing Rules, and the Rules of Procedure shall be amended immediately, which shall submitted to the Board for deliberation and approval.

Article 57 Interpretation of the Rules of Procedure shall be vested in the Board.

Tianjin Jinran Public Utilities Company Limited
March 2023