

Chongqing Hongjiu Fruit Co., Limited

Terms of Reference of the Remuneration and Evaluation Committee

Chapter 1 General Provisions

Article 1 In order to further establish and improve the appraisal and remuneration management system of directors and senior management of Chongqing Hongjiu Fruit Co., Limited (hereinafter referred to as the “Company”) and improve the corporate governance structure, the Board of Directors of the Company established the Remuneration and Evaluation Committee (hereinafter referred to as the “Remuneration and Evaluation Committee”) and formulated the Terms of Reference in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), Appendix 14 Corporate Governance Code under the Hong Kong Listing Rules (hereinafter referred to as the “Corporate Governance Code”), the Articles of Association of Chongqing Hongjiu Fruit Co., Limited (hereinafter referred to as the “Articles of Association”) and other relevant requirements.

Article 2 The Remuneration and Evaluation Committee is mainly responsible for formulating standards for appraising directors and senior management of the Company and conduct assessments; and formulating and reviewing the remuneration policy and packages of directors and senior management of the Company. The Remuneration and Evaluation Committee shall be accountable to the Board of Directors.

Article 3 The “Directors” referred to herein shall mean the directors to whom the Company pays remuneration, and “senior management” shall mean the general manager, the executive deputy general manager, the deputy general manager, the secretary of the Board of Directors and other senior management stipulated by the Articles of Association appointed by the Board of Directors.

Chapter 2 Composition

Article 4 The Remuneration and Evaluation Committee shall consist of three directors, of which more than half (excluding half) are independent non-executive directors.

Article 5 Members of the Remuneration and Evaluation Committee shall be nominated by the Chairman of the Board of Directors, more than half of the independent non-executive directors or one-third of all directors, and elected by the Board of Directors.

Article 6 The Remuneration and Evaluation Committee shall have one chairman who shall be an independent non-executive director and be responsible for leading the work of the Committee. The chairman shall be elected from the members of the Remuneration and Evaluation Committee, subject to the approval of the Board of Directors.

Article 7 The term of office of the Remuneration and Evaluation Committee shall be identical to that of the Board of Directors. A member may be re-elected upon the expiration of his/her term of office. Where a member ceases to be a director of the Company during the term, or is involved in other circumstances where he/she cannot continue to hold the directorship, or a member who should be an independent non-executive director ceases to have the independence as required by relevant laws and regulations, the Hong Kong Listing Rules or the Articles of Association, his/her membership shall be terminated automatically. The Board of Directors of the Company shall appoint new member(s) in accordance with the Terms of Reference.

Article 8 The Remuneration and Evaluation Committee shall have one secretary, the role of whom shall be held concurrently by the secretary of the Board of Directors. The secretary shall be responsible for providing the operational information of the Company and the relevant information of personnel being appraised, preparing for the meetings of the Remuneration and Evaluation Committee, and overseeing the implementation of relevant resolutions of the Remuneration and Evaluation Committee, and the relevant functional departments of the Company shall be responsible for implementing the resolutions and specific work arrangements of the Remuneration and Evaluation Committee.

Chapter 3 Duties and Authorities

Article 9 The main duties and authorities of the Remuneration and Evaluation Committee are:

- (I) to make recommendations to the Board of Directors on the overall remuneration policy and structure for directors and senior management and the establishment of a formal and transparent procedure for developing remuneration policy;
- (II) to be responsible for formulating the remuneration packages for directors and senior management of the Company and make recommendations to the Board of Directors. In formulating the remuneration packages for directors and senior management, factors to be considered by the Remuneration and Evaluation Committee include the Company's guidelines and objectives;
- (III) to consider the appraisal criteria, performance evaluation procedures, remuneration and rewards and punishment policies for directors and senior management, and submit them to the Board of Directors for approval;
- (IV) to review and approve the compensation for the loss or termination of the office or appointment of the executive directors and senior management, and the compensation arrangements with regard to the dismissal or removal of directors due to their misconduct, to ensure that it is consistent with relevant contractual terms; in case of any inconsistency, such compensation shall be fair, reasonable and not excessive;
- (V) to make recommendations to the Board of Directors on the remuneration of non-executive directors;
- (VI) to review the performance of duties by directors and senior management of the Company, and conduct annual performance appraisal and evaluation over them;

- (VII) to ensure any director or any of their associates not to be involved in determining their own remuneration;
- (VIII) to review and/or approve matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules;
- (IX) other matters authorized by the Board of Directors; and
- (X) other relevant requirements for powers and duties of the Remuneration and Evaluation Committee according to the securities regulatory rules of the place(s) where the shares of the Company are listed as amended from time to time.

Article 10 The remuneration plans or packages proposed by the Remuneration and Evaluation Committee shall be implemented upon consideration and approval of the Board of Directors if they are within the scope of the duties and powers of the Board of Directors, and shall be implemented upon consideration and approval of the general meeting if they are within the scope of the duties and powers of the general meeting.

Chapter 4 Decision-making Procedures

Article 11 Relevant functional departments of the Company shall be responsible for the preliminary preparatory work for the decision-making process of the Remuneration and Evaluation Committee and provide the following information of the Company:

- (I) major financial indicators and fulfillment of operation objectives of the Company;
- (II) scope of responsibility and performance of main duties of the senior management of the Company;
- (III) fulfillment of indicators under the performance evaluation system for the directors and senior management; and
- (IV) the relevant calculation basis of the remuneration plans and distribution methods formulated according to the results of the Company.

Article 12 The Remuneration and Evaluation Committee shall conduct the following appraisal of directors and senior management based on the following procedures:

- (I) the directors and senior management of the Company shall report his or her work and self-evaluation to the Remuneration and Evaluation Committee of the Board of Directors;
- (II) the Remuneration and Evaluation Committee shall evaluate the performance of directors and senior management in accordance with the evaluation criteria and procedures; and
- (III) the amount of remuneration and forms of incentive of the directors and senior management shall be proposed based on performance appraisal results and remuneration policies, and shall be submitted to the Board of Directors of the Company after resolving by voting.

Chapter 5 Rules of Procedures

Article 13 Meetings of the Remuneration and Evaluation Committee shall be held at least once each year and all members shall be notified 3 days prior to the convening of the meeting. The meeting shall be presided over by the chairman of the Committee, and in case the chairman is unable to attend, he/she may appoint another member of the Committee (the member should be an independent non-executive director) to preside over the meeting on his/her behalf.

An extraordinary meeting of the Remuneration and Evaluation Committee shall be convened when it is proposed by the Board of Directors, the Chairman of the Board of Directors, the chairman and more than two members of the Remuneration and Evaluation Committee. The chairman of the Remuneration and Evaluation Committee shall convene and chair the extraordinary meeting within 3 working days after receiving the proposal. Where the chairman cannot or fails to fulfill the duty thereof, another member who is an independent non-executive director shall convene and chair the meeting.

Article 14 The quorum of a meeting of the Remuneration and Evaluation Committee shall be not less than half of the members. Each member shall have one vote. A resolution of the meeting must be passed by more than half of all members of the Committee.

Article 15 Votes shall be made by poll at a meeting of the Remuneration and Evaluation Committee. Meetings of the Remuneration and Evaluation Committee may be convened in the form of on-site meetings or telephone meetings, video meetings or other communications equipment (provided that all participants can conduct instant communications with other participants) and may be convened in the form of off-site meetings by way of communication.

Article 16 The general manager of the Company may attend the meetings of the Remuneration and Evaluation Committee as observers. The Remuneration and Evaluation Committee may invite other directors, supervisors and senior management of the Company to attend its meetings as observers if necessary.

Article 17 The Remuneration and Evaluation Committee may, if necessary, engage an intermediary to provide professional advice on its decision-making at the cost of the Company.

Article 18 When any subject of discussion of the Remuneration and Evaluation Committee is related to a member of the Committee at a meeting, such member shall abstain from such meeting.

Article 19 The procedures for convening meetings of the Remuneration and Evaluation Committee, the manner of voting and the remuneration policies and distribution plans to be passed at the meetings must be made in accordance with the relevant laws, regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place(s) where the shares of the Company are listed, the Articles of Association and requirements of the Terms of Reference.

Article 20 The meeting of the Remuneration and Evaluation Committee shall be recorded. Members present at the meeting shall sign the minutes. The minutes shall be kept by the secretary of the Board of Directors of the Company for a period of 10 years.

Article 21 The resolutions passed and the voting results obtained at the meetings of the Remuneration and Evaluation Committee shall be reported in writing to the Board of Directors of the Company.

Article 22 All members and observers present at the meeting shall be under the obligation of confidentiality with respect to the matters discussed at the meeting and shall not disclose the relevant information without authorization.

Chapter 6 Supplementary Provisions

Article 23 Unless otherwise provided, terms used in the Terms of Reference shall have the same meaning as those in the Articles of Association.

Article 24 The Terms of Reference have been approved by the Board of Directors upon consideration and shall become effective from the date on which the overseas-listed foreign shares in the Company's initial public offering are listed on The Stock Exchange of Hong Kong Limited.

Article 25 Any matters not covered herein shall be implemented in accordance with the relevant laws and regulations, departmental rules, regulatory documents, the Hong Kong Listing Rules and other securities regulatory rules of the place(s) where the shares of the Company are listed and the Articles of Association. Where the Terms of Reference conflict with the latter, the latter shall prevail.

“More than” and “prior to” as referred in the Terms of Reference shall exclude the number itself, and the words “within” and “at least” shall include the number itself.

Article 26 The rights of interpretation and amendment of the Terms of Reference shall be vested in the Board of Directors of the Company.