

# **Remuneration Committee Charter of China Development Financial Holding Corporation**

Competent Authority: Human Resources Department

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**Article 1** In order to ensure sound governance and remuneration system for the directors and the managerial officers, China Development Financial Holding Corporation (“CDF”) hereby sets up the Remuneration Committee of CDF (“Committee”) and prescribes the Remuneration Committee Charter (“Charter”) pursuant to Article 14-6, Paragraph 1 of the Securities and Exchange Act, and the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company whose Stock is Listed on the Stock Exchange or Traded Over the Counter (“Regulations Governing Powers by the Remuneration Committee”), and other CDF bylaws to be followed.

**Article 2** The composition of the Committee members, their number and term of office, the Committee’s official powers, as well as rules of procedure for meetings of the Committee, and resources provided by CDF when the Committee exercises its official powers shall be in accordance with the Charter.

**Article 3** The Committee members shall be appointed by resolution of the board of directors, and shall meet the professional qualification and independence requirements listed in the Regulations Governing Powers by the Remuneration Committee; A majority of the members shall serve as independent directors.

**Article 4** The Committee shall have at least three members, and the Committee members shall elect one of the independent directors on the Committee to be the convener and chairman of the meetings.

**Article 5** The term of the Committee members shall end at the same time as that of the board of directors that appointed the members. When the Committee member is dismissed for any reason, resulting in less than three members, the board of directors shall hold a meeting within

three months from the date of occurrence to appoint the replacement. In the event that an independent director is dismissed and there is no other independent director, the Company may appoint someone who is not qualified to act as independent director to be a member of the Committee until the appointment of an independent director at a by-election as required, and the independent director elected in the by-election will be appointed after the by-election.

When there is any appointment of, or change in, the Committee members, CDF shall, within two days counting from the date of occurrence of the event, publicly disclose and report it on the information reporting website designated by the competent authority.

**Article 6** The responsibilities of the Committee are as followed:

1. Prescribe and periodically review the performance and remuneration policy, system, standard, and structure of the directors (including Chairman and Vice Chairman) and the managerial officers of CDF.
2. Periodically evaluate and prescribe the remuneration of the directors (including Chairman and Vice Chairman), and the managerial officers respectively.
3. Deliberation and resolution of matters authorized by the board of directors.

All matters resolved by the Committee, other than the matters authorized by the board of directors or the matters that require review and approval by the Committee before execution in accordance to articles passed by the board of directors, shall be submitted for deliberation by the board of directors.

When performing the official powers under the preceding paragraph, the Committee shall follow the principles listed below:

1. Ensure the remuneration arrangement of CDF complies with the relevant laws and regulations and may attract outstanding talents.
2. With respect to the performance evaluation and remuneration of

the directors and the managerial officers, it shall refer to the typical pay levels adopted by domestic and overseas peer companies, and take into consideration the reasonableness of the correlation between remuneration and personal performance, CDF's business performance, and future risk exposure, while also taking into account of position and duty, goals achieved, CDF's short-term and long-term objectives, and financial situation.

3. It shall not produce an incentive for the directors or the managerial officers to engage in activity to pursue remuneration exceeding the risks that the company may tolerate.
4. It shall take into consideration the characteristics of the industry and the nature of the company's business when determining the ratio of bonus payout based on the short-term performance of its directors and senior management and the time for payment of the variable part of remuneration.

"Remuneration" as used in the Charter includes cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures. Its scope shall be consistent with that of remuneration for directors, and managerial officers as set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

Remuneration of the directors and managerial officers of subsidiaries that requires approval by the mother company shall be first submitted to the Committee for recommendations and suggestions, and then submitted for deliberation by CDF's board of directors.

**Article 7** The Committee meeting shall be convened at least twice a year. In calling a meeting of the Committee, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each member at least 7 days in advance. In emergency circumstances, however, the meeting may be convened at any time.

When the convener goes on leave or otherwise for any reason whatsoever is unable to convene a meeting, the meeting shall be

convened by another independent director or by another member of the Committee if no other independent director in the Committee. If no deputy is designated by the convener, the meeting shall be convened by another member elected by and from among the other members of the Committee.

The Committee may invite directors, managerial officers of relevant departments, internal auditors, certified public accountants, legal consultants, or other personnel to attend meetings as nonvoting participants and provide relevant necessary information. provided that they shall leave the meeting when deliberation and voting take place.

**Article 8** The Committee meeting agenda shall be drawn up by the convener. Other members may submit motions for deliberation by the Committee. The meeting agenda shall be provided to the Committee members in advance. The Committee's staff unit is Human Resources Department, which assists the Committee in exercising its powers and is responsible for communication, agenda preparation, meeting notification, meeting procedure, meeting minutes, and other related tasks.

When the Committee meeting is held, an attendance book shall be provided for signature by the members attending the meeting and thereafter made available for reference.

The Committee members shall attend the Committee in person; a member who cannot attend in person may appoint another member to attend as his/her proxy, and the member may accept a proxy from one person only. A Committee member appointing another member to attend the Committee meeting in his or her place shall in each instance issue a written proxy stating the scope of authorization with respect to the reasons for the meeting. Attendance via telecommunications is deemed as attendance in person.

A resolution of the Committee shall require the approval of one-half or more of all of the members. During voting, if the Committee chair solicits and receives no dissents, the motion is deemed passed, with equivalent force as a resolution by vote. The results of voting shall be

made known immediately, and recorded in writing.

“All of the members” referred to in Article 8 shall be calculated by the number of Committee members actually in office.

**Article 8-1** When a meeting of the Committee will discuss the remuneration of any member of the Committee, it will be clearly stated at the meeting. If there is likely to be any prejudice to the interests of the Company, that member may not participate in the discussion or voting and shall enter recusal during the discussion and voting. The member also may not act as another Committee member's proxy to exercise voting rights on that matter.

**Article 9** Minutes shall be made to record the discussions at the Committee, and the matters listed below shall be recorded in the minutes in a detailed and accurate manner:

1. Session, time, and place of the meeting.
2. Name of the meeting chair.
3. Member attendance, specifying the names and number of members in attendance, excused, and absent.
4. Names and titles of those present at the meeting as nonvoting participants.
5. Name of minutes taker.
6. Matters reported on.
7. Agenda items: For each proposal, the method of resolution and the result; the name, content of remuneration, and specifics regarding recusal of any member whose own remuneration comes under discussion under the preceding article; and any objections or reservations expressed by any member.
8. Extraordinary motions: The name of the mover; the method of resolution and the result for each motion; a summary of the comments of the independent director members of the Committee and experts and other persons present at the meeting; the name, content of remuneration, and specifics regarding recusal of any member whose own remuneration comes under discussion under the preceding article; and any objections or reservations expressed

by a member.

9. Other matters required to be recorded.

If with respect to any resolution of the Committee, any member has a dissenting or opinion that is on record or stated in a written statement, the opinion shall be stated in the meeting minutes, and additionally, within two days counting inclusively from the date of occurrence, shall be publicly disclosed and reported on the information reporting website designated by the competent authority.

The Committee attendance book constitutes an integral part of the minutes of each meeting of the Committee; Where a Committee meeting is held via tele- or video conferencing, the audio and visual documentation of the meeting form a part of the meeting minutes.

The meeting minutes shall bear the signature or seal of the chair and the minutes taker. The minutes shall be distributed to each Committee member within 20 days after the meeting, and shall be submitted to the board of directors and treated as important records of the company, and shall be preserved for 5 years.

If before the end of the preservation period under the preceding paragraph, any litigation arises with respect to any matter in connection with the Committee, the minutes shall be preserved until the litigation is concluded.

The meeting minutes of paragraph 1 may be produced and distributed in electronic form.

**Article 10** The Committee may by resolution, at the cost of the company, engage an attorney, certified public accountant, or other professional to conduct a necessary audit or provide advice with respect to any matter related to the exercise of the committee's powers.

**Article 11** The execution of tasks relating to matters resolved by the Committee may be delegated to the convener or other member or members of the Committee for follow-up and handling, and they shall make written reports to the Committee during the period in which they

are handling such tasks. When necessary, they shall submit them for ratification, or report them, to the Committee at the subsequent meeting.

**Article 12** Any member of the Committee shall not partake, or act as proxy of another member, in the discussion or deliberation on the remuneration of his/her own, or the spouse, relatives within the second degree of kinship, or lineal relatives by blood within the third degree of kinship.

**Article 13** Matters not included in the Charter shall be governed by the Regulations Governing Powers by the Remuneration Committee, relevant laws, and other CDF bylaws.

**Article 14** The Charter, and any amendment thereof, shall be adopted by a resolution of the Board of Directors, and shall take effect from the date of issuance.