

ESR CAYMAN LIMITED
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1821)

**TERMS OF REFERENCE FOR
THE REMUNERATION COMMITTEE**

ESTABLISHMENT

1. The remuneration committee (the “**Remuneration Committee**”) of ESR Cayman Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) was established by the resolution of the board (the “**Board**”) of directors (the “**Directors**”) of the Company passed on May 20, 2019.

PURPOSE

2. The purpose of the Remuneration Committee is to establish, review and provide advice to the Board on the structure of remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning remuneration, determine the terms of the specific remuneration package of each executive Director and senior management and review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time to time.

MEMBERSHIP

3. The members of the Remuneration Committee (the “**Members**”) shall be appointed by the Board from time to time and shall consist of not less than three Directors, a majority of which shall be independent non-executive Directors who shall meet and maintain the independence requirements from time to time as stipulated in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The chairman of the Remuneration Committee must be an independent non-executive Director (the “**Chairman**”).

MEETINGS

4. The Remuneration Committee shall meet at least twice annually, or more frequently if circumstances require. The Chairman shall convene a meeting upon request by any Member.
5. The Chairman (or in his or her absence, a Member designated by the Chairman) shall preside at all meetings of the Remuneration Committee. The Chairman shall be responsible for leading the Remuneration Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.
6. The company secretary of the Company shall be the secretary (the “**Secretary**”) of the meetings of the Remuneration Committee.

7. An agenda and other relevant documents should be sent in full to all Members in a timely manner and at least three days before the intended date of a meeting of the Remuneration Committee (or such other period as may be agreed by its Members).
8. Meetings of the Remuneration Committee may follow the same procedures as those for meetings of the Board under the relevant provisions in the articles of association of the Company, as amended from time to time.
9. Each Member shall disclose to the Remuneration Committee:
 - (a) any personal financial interest (other than as a shareholder of the Company (the “**Shareholders**”)) in any matter to be decided by the Remuneration Committee; or
 - (b) any potential conflict of interest arising from a cross-directorship.

Any such Member shall abstain from voting on the resolutions of the Remuneration Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions, and shall (if so required by the Board) resign from the Remuneration Committee.

10. Minutes of meetings of the Remuneration Committee shall be prepared by the Secretary which shall be sent to all Members as soon as practicable and within a reasonable time after the conclusion of the meeting. Minutes of meetings of the Remuneration Committee shall record the names of the Members present at each meeting of the Remuneration Committee, as well as in sufficient detail the matters considered by the Remuneration Committee and decisions reached, including any concerns raised by Members or dissenting views expressed. The minutes shall also be made available for inspection on reasonable notice by any Director.

AUTHORITY

11. The Remuneration Committee is authorised by the Board to perform any activity within these Terms of Reference, including without limitation the making of recommendations to the Board on the remuneration payable to executive Directors and members of Senior Management, the emolument policies and the basis for determining such emoluments. It shall ensure that no director should be involved in deciding his own remuneration.
12. The Remuneration Committee shall be provided with sufficient resources to perform its duties, including but not limited to obtaining independent professional advice and assistance from internal or external legal, accounting or other advisers at the expense of the Company. The Remuneration Committee shall be responsible for establishing the selection criteria, selecting, appointing and setting the terms of engagement for any external party who advises the Remuneration Committee.
13. The Remuneration Committee shall have full access to management and may invite members of management or others to attend its meetings. The Remuneration Committee shall consult the chairman and/or chief executive of the Company about their remuneration proposals for other executive Directors.

DUTIES

The Remuneration Committee shall perform the following duties:

- (a) to make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) to make recommendations to the Board on the specific remuneration packages of individual executive Directors and Senior Management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (d) to make recommendations to the Board on the remuneration of non-executive Directors;
- (e) to consider factors such as (i) salaries paid by comparable companies, time commitment and responsibilities and, employment conditions of the Company and its subsidiaries; (ii) appointment and termination terms for Directors and Senior Management to ensure they are fair; and (iii) compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure they are reasonable and appropriate. The Remuneration Committee shall also ensure that the remuneration levels should be sufficient to attract and retain Directors to run the Company successfully without paying more than necessary;
- (f) 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;
- (g) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (h) to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration;
- (i) to advise the Shareholders on how to vote in respect of any service contracts of Directors that require Shareholders' approval in accordance with the Listing Rules; and
- (j) to review from time to time as appropriate these Terms of Reference and the effectiveness of the Remuneration Committee and recommend to the Board any necessary changes.

REPORTING PROCEDURES

14. The Remuneration Committee shall report to the Board on a regular basis on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so.
15. The Chairman or his/her duly appointed delegate shall attend the Company's annual general meetings and respond to any questions from the Shareholders on the Remuneration Committee's activities.
16. The Remuneration Committee shall make available these Terms of Reference on request and by inclusion on the websites of the Company and The Stock Exchange of Hong Kong Limited in order to explain its role and authority delegated to it by the Board.

Hong Kong, October 31, 2019