

# **Minsheng Education Group Company Limited**

**(“Company” or “the Company”)**

## **Rules of Procedure of the Remuneration Committee**

Effective as of March 2, 2017

(Passed in the Board Meeting on March 2, 2017)

### **Organization**

1. According to the resolution passed by the Company’s Board of Directors (the “**Board**”) on March 2, 2017, the Remuneration Committee (the “**Committee**”) is established under the Board.

### **Membership**

2. The Committee shall consist of at least three members, a majority of whom shall be independent non-executive directors, and the Chairman shall be an independent non-executive director. The members and the Chairman of the Committee shall be appointed and removed by the Board. Composition of the Committee shall comply with the requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) that may be amended from time to time.
3. Resolutions of a meeting of the Committee shall be passed by a majority vote of all Committee members present at the meeting. If the number of votes in favor of and the number of votes against a proposal are equal, the Chairman of the Committee shall have one extra deciding vote.
4. Members of the Committee shall not appoint their own alternates to attend meetings or to perform their duties.
5. The company secretary of the Company or (if absent) his or her representative shall act as the Secretary of the Committee. The Committee may from time to time appoint any other person with suitable qualifications and experience as the Secretary of the Committee.

### **Quorum**

6. A quorum of the meeting of the Committee shall consist of two members.

## **Frequency of meetings**

7. Meetings of the Committee shall be held at least once a year. Members of the Committee may at any time request to convene a meeting if they deem it necessary. Meetings include on-site meetings and communications conference (via telephone or video).
8. Unless otherwise agreed by all of the Committee members, a notice of a Committee meeting shall be sent at least 2 working days in advance.

## **Power**

9. The Committee has the right to ask any employees or directors of the Company for any data required for performing its duties. When it involves the performance of duties, the Committee shall have the right to seek advice from independent professional consultants whom it deems competent. Committee members are obliged to keep confidential of related information from the Company.

## **Duties and Responsibilities**

10. Under the authorization of the Board, the Committee has the following duties and responsibilities:
  - (a) make recommendations to the Board on the remuneration policy and structure for all directors and senior management of the Company and on the establishment of formal and transparent procedures for developing such remuneration policy.
  - (b) review and (if deemed appropriate) approve the management's remuneration proposals according to the goals and the objectives of the Company set by the Board.
  - (c) determine the remuneration packages (including salaries, bonuses, benefits in kind, the terms on which they participate in any share or other incentive scheme and any provident fund or other retirement benefit scheme, and compensation payments (including the compensation payable for loss or termination of their office or appointment)) for all executive directors and senior management under the authorization of the Board taking into consideration such factors as salaries of comparable companies, time commitment of directors and senior management, their duties and employment conditions of other positions in the Group.
  - (d) review and (if deemed appropriate) approve the compensation payable to executive directors and senior management in respect of the loss or termination of their office or appointment to ensure that such compensation is determined in accordance

with relevant contractual terms; if it cannot be determined in accordance with relevant contractual terms, compensation shall be otherwise fair, reasonable and not excessive.

- (e) review and (if deemed appropriate) approve the compensation arrangement related to the dismissal or removal of directors as a result of their misconduct to ensure that such arrangement is consistent with the terms of the contract. In case it is not consistent with the terms of the contract, the compensation shall be reasonable and appropriate.
  - (f) make recommendations on the emoluments of non-executive directors to the Board, and it shall be approved by the Board.
  - (g) ensure that no directors or any of their associated persons participate in determining their own emoluments.
  - (h) report to the Board on activities of the Committee as requested by the Board from time to time.
  - (i) in reference to the Code on Corporate Governance Practices (the “**Code**”), Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the Committee shall exercise the other powers authorized by the Board from time to time and its discretion to fulfill its duties in respect of the issues related to the remuneration of executive directors and senior management.
  - (j) in exercising of its powers and discretion and fulfilling its duties, the Committee shall refer to the relevant provisions of the Listing Rules (including the Code).
11. The Committee shall be provided with sufficient resources to perform its duties, including seeking independent professional advice.
12. The Chairman of the Committee shall attend the annual general meeting of the Company, and be ready to respond to questions on activities and duties of the Committee raised by the shareholders of the Company.

### **Reporting procedures**

13. The Secretary of the Committee shall send the draft and the final version of meeting minutes and reports to all Committee members for circulation within a reasonable time after the meeting, with the draft for members to comment and the final version for the record.

14. The Secretary of the Committee shall keep all approved meeting minutes and reports either in hard copy or electronic copy as part of the Company's records.
15. The Committee shall report to the Board on its decisions or recommendations, unless restricted by laws or regulations that the Committee cannot make such report (for example, due to regulatory restrictions on disclosure).
16. Under the premise of complying with the Articles of Association of the Company and the Listing Rules, the Board may at any time amend, supplement and revoke these terms of reference and procedures and any resolutions passed by the Committee, provided that the relevant amendment, supplement and revoking shall not affect the validity of any resolutions passed or measures taken by the Committee before such relevant action is taken place.

### **Effectiveness**

17. These rules of procedure shall come into effect after being considered and passed by the Board.
18. The Board is responsible for the interpretation of these rules of procedure.

### **Language**

19. In case there is any discrepancy between the English version and the Chinese version of these terms of reference and procedures, the English version shall prevail.

Board of Directors of Minsheng Education Group Company Limited

March 2, 2017