



## **Beijing Capital Jiaye Property Services Co., Limited**

### **北京京城佳業物業股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2210)**

## **Working Rules of the Risk and Compliance Management Committee of the Board of Directors**

### **Chapter 1 General Provisions**

**Article 1** In order to improve the governance structure of Beijing Capital Jiaye Property Services Co., Limited (the “Company”), enhance the scientificity, independence and effectiveness of the Board in performing its duties, improve the quality of decision-making, strengthen the internal control and supervision of the Company, and effectively prevent and control major risks to ensure that the operation of the Company is in compliance with the law, the Board of the Company established the Risk and Compliance Management Committee (the “Committee”) in accordance with the Company Law of the PRC, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association of Beijing Capital Jiaye Property Services Co., Limited (the “Articles of Association”) and other relevant laws and regulations, and has formulated these Rules.

**Article 2** The Committee is a specific working body under the Board and is mainly responsible for conducting basic research on the Company’s risk management, internal control and compliance management, providing professional advice and suggestions, and assisting the Board in deliberating and making decisions on important matters in the above areas. The Committee reports to the Board and shall be accountable to the Board, however, it does not reach any resolution in the name of the Board.

**Article 3** The directors mentioned in these Rules refer to all the directors of the Company, and the senior management members refer to the general manager, deputy general manager, chief accountant, secretary to the Board and other senior management members recognized by the Articles of Association.

**Article 4** These Rules are applicable to the Committee and relevant personnel and departments involved herein.

### **Chapter 2 Composition and Working Organization of the Committee**

**Article 5** The Committee shall consist of no less than 3 directors. The members of the Committee shall be nominated by the chairman of the Board and elected by more than half of all the directors of the Board.

If a member of the Committee no longer holds a directorship, his/her qualification as a member of the Committee shall be removed naturally, and the Board shall fill the vacancy or adjust the personnel according to the requirements.

**Article 6** Members of the Committee shall have professional knowledge and business experience in management, finance, law and other aspects in line with their duties.

**Article 7** The Committee shall have one chairman, who shall be the person in charge of the Company.

**Article 8** The term of office of the Committee shall be the same as that of the Board, and the term of office of the members shall be the same as that of the directors. Members may be re-elected upon expiration of their terms of office. The Board shall regularly evaluate the independence and performance of the members of the Committee, and may replace the members who are not suitable to continue to serve when necessary. If a member of the Committee no longer serves as a director of the Company during his/her term of office, or loses his/her independence as an independent non-executive director as required in the Hong Kong Listing Rules, he/she shall be disqualified as a member automatically. The Board shall fill the vacancy in accordance with the relevant requirements of the Hong Kong Listing Rules, and the term of office of the supplementary members shall be up to the end of the term of office of the member as a director.

**Article 9** A member of the Committee may tender his/her resignation to the Board before the expiration of his/her term of office. In the resignation report, they shall set out the reasons for his/her resignation and the matters to which the Board shall pay attention. When the number of members of the Committee falls below the minimum number required in these Rules, the resigned member shall continue to perform the relevant duties until an alternate member of the Board takes office.

**Article 10** The composition and responsibilities of the members of the Committee may be adjusted within their terms of office if proposed by the chairman of the Board and approved upon consideration by the Board.

**Article 11** A member of the Committee may hold membership of other special committees under the Board provided that he/she is able to perform his/her duties.

**Article 12** If the number or composition of members of the Committee fails to meet the requirements as provided herein, the Board shall arrange for making up the shortfall in accordance with the provisions in these Rules or the Articles of Association.

**Article 13** Acting as the working organization of the Committee, the Secretariat of the Board of the Company provides support and services to the Committee and undertakes the related work assigned by the Committee.

### Chapter 3 Duties of the Committee

**Article 14** The major duties of the Committee shall be:

- (I) The following two ways play a due role in respect of risk management of the Company:
  1. The Committee conducts research on special topics and provides consultation and advice for the Board in respect of its performance of the following risk management duties: (1) establishing a comprehensive risk management system for the Company in a bid to determine the overall risk management objectives, risk preference, risk tolerance and risk management strategies; (2) approving the establishment of the Company's risk management organizations and proposals of their responsibilities, as well as major risk response plans.
  2. Entrusted by the Board, the Committee performs the following risk management duties independently: (1) conducting risk assessment on major decision-making proposals to be submitted to the Board for voting, and reporting to the Board; (2) considering the Company's annual risk management report to be submitted at the general meeting, and putting forward decision-making suggestions to the Board; (3) discussing the risk management system with the management to ensure that the management has fulfilled its responsibilities and established an effective risk management system; (4) conducting research on important findings on risk management issues and management's response to the findings on its own initiative or as delegated by the Board.
- (II) In respect of the Company's internal control, the Committee conducts research and provides consultation and advice for the Board in respect of its performance of the following duties:
  1. Approving the overall objectives and plans regarding the establishment of the Company's internal control;
  2. Approving the Company's major risk identification and relevant management plans;
  3. Approving the identification of major defects in the Company's internal control and comments on the handling of defect liability investigation;
  4. Discussing the internal control system with the management to ensure that the management has fulfilled its responsibilities and established an effective internal control system, which includes the consideration of the adequacy of the Company's resources, staff qualifications and experience in accounting and financial reporting functions, as well as the adequacy of the training programmes received by the staff and the relevant budgets;
  5. Conducting research on important findings on internal control issues and management's response to the findings on its own initiative or as delegated by the Board.

- (III) The following two ways play a due role in respect of compliance management of the Company:
1. The Committee conducts research on special topics and provides consultation and advice for the Board in respect of its performance of the following compliance management duties: (1) approving the strategic plans, basic system and annual report regarding corporate compliance management; (2) promoting the improvement of the compliance management system; (3) deciding on the appointment and removal of the person in charge of compliance management; (4) determining the establishment, functions and staffing of the compliance management department; (5) studying and making decisions on major issues related to compliance management; (6) deciding on the handling of the personnel in violation according to the relevant authority; (7) other compliance management responsibilities stipulated by laws, regulations and the Articles of Association.
  2. Entrusted by the Board, the Committee performs the following compliance management duties independently: (1) holding regular meetings to study major issues of compliance management and putting forward advice and suggestions, as well as guiding, supervising and evaluating compliance management work; (2) listening to the work report of the general counsel, studying major violations, and putting forward compliance management advice or suggestions to the Board; (3) coordinating, organizing and directing the integration of risk management, internal control and compliance management.
- (IV) The Committee conducts research and provides consultation and advice for the Board in respect of its performance of the duties concerning legal compliance;
- (V) According to other laws and regulations related to the daily operation and management of companies in Mainland China, the Hong Kong Listing Rules and other relevant regulatory rules of the places where the shares of the Company are listed, as well as the Company's own internal control and management needs, the Board will revise the responsibilities and powers of the Committee in a timely manner.

**Article 15** The duties of the chairman of the Committee shall be:

- (I) To convene and preside over meetings of the Committee;
- (II) To supervise and examine the work of the Committee and the implementation of the resolutions of the Committee;
- (III) To sign relevant documents of the Committee;
- (IV) To report the work of the Committee to the Board of the Company;
- (V) Other duties as stipulated in the laws, regulations, the Hong Kong Listing Rules and other relevant regulatory rules of the places where the shares of the Company are listed, these Rules and as required or delegated by the Board.

**Article 16** The major duties of the members shall be:

- (I) To attend the meetings of the Committee on time and to express opinions on the matters deliberated at the meetings and exercise their voting rights;
- (II) To propose matters to be deliberated at the meetings of the Committee;
- (III) To attend relevant meetings of the Company as non-voting delegates or visitors, to conduct surveys and researches and to collect relevant information such as reports, documents and materials for the purpose of discharging their duties;
- (IV) To fully understand the duties of the Committee and those of himself/herself as a member of the Committee and to acquaint himself/herself with relevant information on the operation and management, business activities and development of the Company to ensure his/her capacity for discharging duties;
- (V) To fully ensure that he/she has sufficient working hours and energy to fulfil his/her duties;
- (VI) Other duties as stipulated in the laws, regulations, the Hong Kong Listing Rules and other relevant regulatory rules of the places where the shares of the Company are listed, these Rules and as delegated by the Board.

#### **Chapter 4 Meetings of the Committee**

**Article 17** Meetings of the Committee can be classified as regular meeting and ad hoc meeting.

**Article 18** The Committee shall convene at least two regular meetings every year and shall issue a three-day prior written notice to all members.

**Article 19** The Committee may convene ad hoc meetings when necessary. In any of the following circumstances, within three days of the occurrence of the relevant facts, the chairman of the Committee shall issue a notice to convene a meeting:

- (I) in circumstances as deemed necessary by the Board;
- (II) in circumstances as deemed necessary by the chairman of the Committee;
- (III) when proposed by two or more members of the Committee.

**Article 20** The Secretariat of the Board shall be responsible for delivering the notice of meeting in writing to each member of the Committee and relevant persons invited to attend the meeting three days prior to the date of the meeting (except in special circumstances where the obligation of advance notice may be exempted, but the chairperson of the meeting shall make an explanation at the meeting). The notice of meeting shall contain information on the method, time, venue, duration and agenda of the meeting, time of issuance of the notice, contact person of the meeting, contact method and relevant information.

The relevant departments of the Company shall prepare and furnish the Committee with relevant materials related to the matters to be deliberated, and liaise with relevant entities concerned (including relevant experts of the Company or external experts, scholars and intermediary agencies engaged by the Committee in the discussion of the matters).

**Article 21** Upon receipt of the notice of meeting, each member of the Committee shall provide confirmation and any relevant feedback (including but not limited to confirmation of attendance or absence and any other arrangement) via proper means in a timely manner.

**Article 22** The members of the Committee shall attend the meeting in person. If a member is unable to attend the meeting in person, such member shall, by signing and submitting a letter of proxy, authorize another member of the Committee to attend and express opinions at the meeting on his/her behalf. Such letter of proxy shall expressly state the scope and term of the authorization. Each member shall appoint only one other member as his/her proxy to vote on his/her behalf at each meeting. Where any member appoints two or more members to vote on his/her behalf, such appointment shall be deemed invalid. No member shall accept any such authorization from two or more other members concurrently.

The member attending the meeting on behalf of another member shall exercise the rights within the scope of authorization. If a member does not attend a meeting in person or authorize another member of the Committee to exercise his/her rights on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting, he/she shall be deemed to have waived his/her rights.

A member who is unable to attend a meeting in person may also exercise his/her rights by submitting in writing his/her opinion with respect to any matter on the meeting agenda, provided that such written opinion shall be submitted to the Secretariat of the Board no later than the meeting.

**Article 23** If any member of the Committee does not attend a meeting of the Committee in person or authorize another member of the Committee to attend such meeting on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting on two consecutive occasions, or if such member fails to attend in person 3/4 of all meetings of the Committee held during any year, such member shall be deemed incapable of performing the duties of the Committee, and the Board may change the members of the Committee in accordance with these Rules.

**Article 24** A meeting of the Committee may only be validly held when at least 2/3 of all members attend the meeting. A meeting shall be presided over by the chairman of the Committee, who may appoint another member of the Committee to do so on his/her behalf when he/she is unable to attend the meeting. In the circumstances where the chairman of the Committee neither fulfils his/her duties nor delegates his/her duties to another member of the Committee, any member of the Committee may report such circumstances to the Board of the Company and the Board of the Company shall appoint one member of independent non-executive directors to perform the chairman's duties.

## Chapter 5 Rules of Procedures

**Article 25** Each member of the Committee shall have one vote. More than half of the votes of all members are required to pass a resolution. Where the Committee is unable to form a valid resolution due to the abstention of members, such matter shall be submitted to the Board for consideration.

**Article 26** In general, the Committee shall physically meet on site to hold a meeting. Method of voting shall be show of hands or poll. Under special circumstances, on the premise that the members of the Committee are able to sufficiently express their opinions, with the consent of the chairman of the Committee, meetings may be held by means of remote communication. Where a meeting is conducted by means of remote communication, the members of the Committee shall submit to the Board their written opinions with respect to the agenda items within the period prescribed by the notice of meeting.

**Article 27** The agenda items shall be discussed during the meeting of the Committee. The members of the Committee shall explicitly, independently and fully express their opinions based on their judgment. In the case of any different opinion, such different opinion shall be stated in the minutes of the meeting to be presented to the Board.

**Article 28** The Committee may invite directors of the Company, relevant senior management, relevant experts of the Company or external experts, scholars, intermediary agencies and other relevant personnel to attend the meeting. Such personnel invited to attend the meeting shall give explanation and elaboration on any issue as required by any member of the Committee.

**Article 29** The Committee may, when deemed necessary and approved by the Board, appoint an external professional or agency to provide professional advice, and the reasonable costs incurred therefrom shall be borne by the Company.

**Article 30** If a member of the Committee has a conflict of interest in any matter being considered by the Committee, such member shall refrain from the discussion and decision of such matter.

**Article 31** All personnel attending the meeting shall have the obligation to keep all matters discussed at the meeting confidential and shall not disclose any information relating thereto without authorization.

## **Chapter 6 Minutes and Summary of the Meetings of the Committee**

**Article 32** Minutes shall be prepared for the meetings of the Committee. The minutes shall be prepared by the Secretariat of the Board, and shall include the following information:

- (I) Serial number, method, date, venue and name of the chairperson of the meeting;
- (II) The attendance of members personally or by proxy;
- (III) Name and title of each attendee;
- (IV) Matters considered at the meeting;
- (V) Main points made by the members of the Committee and other relevant attendees;
- (VI) Name of the person taking minutes;
- (VII) The minutes or resolutions of meetings shall specify the abstention of interested member(s) (where applicable).

The members of the Committee present at the meeting shall sign the minutes of the meeting of the Committee. The minutes shall be sent to all members of the Committee within a reasonable time after the meeting for their comments.

**Article 33** After each meeting of the Committee, the Secretariat of the Board shall prepare a meeting summary recording the considerations and discussions during the meeting.

**Article 34** Copies of the meeting summary shall be submitted to the Board of the Company and sent to the members of the Committee, secretary to the Board and other relevant departments and personnel.

**Article 35** Meeting minutes, meeting summary, letters of proxy, written opinions of the members of the Committee and other materials of the meeting shall be kept by the Secretariat of the Board in accordance with the relevant file management system of the Company.



## Chapter 7 Supplementary Provisions

**Article 36** Unless otherwise stated, terms used in these Rules shall have the same meanings ascribed to them in the Articles of Association.

**Article 37** For any matter not covered in these Rules, and in the event of any contradiction with any provision of the laws, administrative regulations, regulatory documents, the Hong Kong Listing Rules and other relevant regulatory rules of the places where the shares of the Company are listed, or the Articles of Association as amended under lawful procedures promulgated after these Rules become effective, the provisions of such laws, administrative regulations, regulatory documents, the Hong Kong Listing Rules and other relevant regulatory rules of the places where the shares of the Company are listed, and the Articles of Association shall prevail. Amendments to these Rules shall be made forthwith and submitted to the Board for consideration and approval.

**Article 38** These Rules have been considered and approved by the Board and shall become effective on the date when the overseas listed foreign shares of the Company are listed and commence trading on The Stock Exchange of Hong Kong Limited.

**Article 39** The right of interpretation and amendment of these Rules shall be vested in the Board of the Company.

**Article 40** These Rules are published in both English and Chinese versions. In case any discrepancy arises between the English and the Chinese versions, the Chinese version shall prevail.