
Tongcheng Travel Holdings Limited
Management System of Directors' Remuneration

Chapter I General Provisions

Article 1 The System is formulated and enacted based on the discussion and decision by the Board of Directors in order to establish a scientific and effective mechanism of incentive and constraint concerning directors' remuneration, achieve the strategic development goals of Tongcheng Travel Holdings Limited (the "Company"), and ensure the internal driving force of the Company's sustainable development.

Article 2 This System is applicable to executive directors, non-executive directors and independent non-executive directors of the Company.

Article 3 Directors' remuneration is determined based on the following principles: to be in line with the Company's sustainable development; to link remuneration with the Company's performance; and to place equal emphasis on both incentive and constraint.

Chapter II Remuneration Approach

Article 4 Remuneration approach for executive directors

| Items and Terms | Management Approach |
|------------------------|--|
| Basic compositions | <ul style="list-style-type: none">• Executive directors' remuneration is composed of basic salary, performance bonus and share incentives• The Remuneration Committee shall review directors' remuneration and related remuneration policies and practices every year based on the achievement of governance performance in the current year• The nomination shall be submitted to the general meeting every three years for consideration of the matters related to executive directors' remuneration |
| Basic salary | <ul style="list-style-type: none">• Reward for ongoing contribution so as to attract and retain key talents and thus maintaining market competitiveness |

| Items and Terms | Management Approach |
|-------------------------|--|
| Performance bonus | <ul style="list-style-type: none"> <li data-bbox="603 193 1485 289">• Maintain competitive remuneration and benefits as well as providing a certain level of fixed remuneration in line with the Director’s duties, skills and experience to retain key talents <li data-bbox="603 321 1485 442">• The Company’s financial performance shall be reflected, including the operating performance in the current year and the annual performance-based bonus for the Chief Executive Officer, which shall reflect the overall shareholders’ return over the past 3-5 years <li data-bbox="603 474 1485 640">• The Company’s non-financial performance shall be reflected, including the management performance of material environmental, social and governance issues, such as customer service assurance, data privacy and security, business ethics, climate change response, human resource management, etc. |
| Share incentives | <ul style="list-style-type: none"> <li data-bbox="603 683 1485 740">• Sustain the long-term performance and align with the shareholders’ interests <li data-bbox="603 772 1485 906">• The cap of the long-term share incentives is 3-6 times the basic salary; and the long-term incentives have a forward-looking performance calculation period, which lasts 3-5 years from the start of the financial year when the incentives are awarded. |
| Shareholding guidelines | <ul style="list-style-type: none"> <li data-bbox="603 949 1485 1006">• Sustain the long-term performance and align with the shareholders’ interests <li data-bbox="603 1038 1485 1102">• The shareholding limit for executive directors is required to be at least 8 times of the basic salary |
| Risk measurement | <ul style="list-style-type: none"> <li data-bbox="603 1144 1485 1240">• Executive directors’ remuneration (including basic salary, performance bonus and long-term share incentives) has been imbedded with claw-back provision to reduce remuneration risks <li data-bbox="603 1272 1485 1430">• The claw-back period is no less than 3-5 years. Where the executive director imposes a material adverse impact on the Company due to his/her fault in fulfilling his/her duties, the Company is entitled to take back all the performance-based remuneration paid within the corresponding period and stop paying the unpaid part |

Article 5 Remuneration policy for non-executive directors and independent non-executive directors

Non-executive directors do not receive directors' remuneration, allowances or welfare benefits from the Company if he/she does not hold any management positions in the Company, and all expenses incurred due to the performance of his/her duties shall be borne by the Company. Independent non-executive director receives remuneration from the Company in the form of fixed allowances, and all expenses incurred due to the performance of his/her duties shall be borne by the Company.

Chapter III Supplementary Provisions

Article 6 The management of directors' remuneration is an important part of corporate governance. The Remuneration Committee shall evaluate directors' remuneration level and Director's remuneration mechanism at least once a year, and report to the Board of Directors.

Article 7 The Remuneration Committee shall review this Policy, as appropriate, to ensure the validity of this Policy. The Remuneration Committee shall discuss any revision that may be required, and recommend any such revision to the Board of Directors for consideration and approval.

Article 8 This System shall come into effect as of the date of the consideration and approval by the Board of Directors.