

**Administrative Provisions on the Appointment of Overseas Personnel to Take
Leadership Positions of Legal Institutions, Public Institutions, and
State-owned Enterprises in Hainan Free Trade Port
(for Trial Implementation)**

(Approved upon deliberation at the meeting of the Standing Committee of the CPC
Hainan Provincial Committee on December 29, 2020 and promulgated by the General
Office of the CPC Hainan Provincial Committee and the General Office of the People's
Government of Hainan Province on February 27, 2021)

Chapter I General Provisions

Article 1 The Administrative Provisions on the Appointment of Overseas Personnel to Take Leadership Positions of Legal Institutions, Public Institutions, and State-owned Enterprises in Hainan Free Trade Port (for Trial Implementation) (hereinafter referred to as the "Provisions") are formulated according to relevant laws and regulations to implement the spirit of the Overall Plan for the Construction of Hainan Free Trade Port and standardize the appointment and management of overseas personnel to take leadership positions of legal bodies, public institutions, and state-owned enterprises in Hainan Free Trade Port (hereinafter referred to as the "overseas leaders").

Article 2 The term "overseas leaders" as mentioned in the Provisions refers to:

- (1) persons who do not possess the nationality of the People's Republic of China; and
- (2) residents of the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and Taiwan region.

Article 3 In the appointment and management of overseas leaders, we shall follow the law of the market and the law of talent development, implement market-based selection

and contractual management, and provide market-based remuneration. In addition, we shall adhere to the international vision as well as tolerance and prudence, abide by laws and regulations, and act flexibly and conveniently. We shall focus on practical performance and encourage overseas leaders to start their own businesses and take responsibility.

Chapter II Conditions of Service

Article 4 An overseas leader shall meet the following basic conditions:

(1) abiding by the Constitution and laws of the People's Republic of China, and to respect the development path, institutional arrangements, national feelings and cultural customs chosen by the Chinese people independently;

(2) possessing good professional and personal conduct, to be honest and trustworthy, and to practice honestly;

(3) having the qualifications, experience, major, language or other skills required for the position, having an international perspective and thinking on the rule of law, and being familiar with relevant international rules;

(4) having the physical conditions for normal performance of duties;

(5) holding a valid passport or other international travel documents, permit for Hong Kong and Macao residents to travel to and from the mainland, and permit for Taiwan residents to travel to and from the mainland; and

(6) having other qualifications required for the position.

Article 5 Under any of the following circumstances, no overseas leader shall be appointed:

(1) having a criminal record;

(2) being listed as the person subject to breach of trust or being subject to other similar measures;

(3) violating professional ethics or professional ethics; and

(4) other circumstances that are not suitable for appointment.

Chapter III Administration of Appointment

Article 6 In general, the selection and appointment of an overseas leader through the market shall go through the following procedures:

(1) to propose a work plan for the selection and appointment;

(2) to determine the proposed candidates;

(3) to carry out qualification evaluation and due diligence;

(4) to discuss and decide collectively;

(5) to sign an appointment agreement;

(6) to apply for permits for entry, work, and residence in accordance with the relevant provisions; and

(7) to hold office in accordance with laws and regulations.

Article 7 The appointment system shall be implemented for overseas leaders. Each term of employment shall generally not exceed 4 years, and the term of continuous employment in the same position shall generally not exceed 8 years. With the consent of the superior organizational (personnel) department, the term of employment may be extended as appropriate or the overseas leader may be recommended to other positions.

Article 8 The selection, appointment, management and assessment of overseas leaders shall be carried out by category and grade.

The department with authority for the management of cadres shall be responsible for the chief posts of legal institutions; and the entities to which applicants belong shall be generally responsible for deputy posts.

The department with authority for the management of cadres shall be responsible for the chief posts of public institutions as well as deputy posts in general cases. In special cases, the entities to which the applicants belong as authorized by such department shall be responsible for deputy posts.

The entities to which the applicants belong as authorized by the department with authority for the management of cadres shall be generally responsible for the chief posts of state-owned enterprises. Such department shall perform its supervision duties in determining criteria, standard procedures, qualification examination, and other aspects.

Article 9 A qualified overseas leader may be registered as a legal representative.

Article 10 An appointment agreement shall be signed for the appointment of an overseas leader, and specify the appointment position, term of appointment, objectives and tasks, rights and obligations, assessment and evaluation, remuneration standards, performance benefits and benefits, rewards and punishments, renewal and dismissal conditions, and non-competition and confidentiality requirements, methods of dispute resolution, and applicable laws.

Article 11 The assessment of an overseas leader shall give priority to the assessment during a year or the term of employment. The assessment shall be based on the appointment agreement and focus on performance. The results of the annual assessment shall be linked to the remuneration, and the results of the assessment during the term of employment shall be taken as an important basis for deciding on the renewal or dismissal.

Chapter IV Remuneration and Benefits

Article 12 A market-oriented remuneration distribution mechanism shall be implemented for overseas leaders, and the remuneration and treatment may be flexibly controlled based on the remuneration levels of personnel of the same industry, scale and performance in the market. Remuneration may be listed separately outside the total amount of performance pay of the entities. The forms and standards of remuneration distribution shall be submitted to the relevant competent departments for verification or filing.

Article 13 The qualified overseas leaders may enjoy the relevant policies of personal income tax reduction and exemption for talents in Hainan Free Trade Port, as well as the relevant policies and treatment for the introduction of talents, such as house purchase, car purchase, children's enrollment, spouse's employment, and medical security.

Foreigners who meet the classification criteria for high-end talents in Hainan may apply for permanent residence in China according to provisions.

Article 14 An overseas leader shall participate in the social insurance scheme and enjoy corresponding social insurance benefits according to law. Where there are other provisions in the Sino-foreign bilateral agreement on mutual exemption of guarantees, such provisions shall prevail.

Article 15 An overseas leader shall pay and deposit the housing accumulation fund according to the standard for personnel of the same level of position in the same entity. The overseas leader who normally pays and deposits housing provident fund may apply for provident fund loans according to the regulations and enjoy the same treatment as the staff and workers of his or her entity.

Article 16 An overseas leader may, in accordance with the provisions of the State, enjoy paid holidays such as statutory holidays and annual leave.

Chapter V Supervision and Restraints

Article 17 An overseas leader shall abide by public order and social ethics, perform his or her duties in accordance with the law, and make commitments on such matters as having no criminal record and being honest in practice.

Article 18 An overseas leader shall consciously implement the relevant decision-making mechanism and Rules of Procedure of the entity to which he or she belongs. The entity to which he or she belongs and the relevant departments at higher levels shall, according to the work needs and actual conditions, further improve the relevant leadership system and operation mechanism, improve the decision-making mechanism and Rules of Procedure, and promote the standardized and orderly management of overseas leaders.

Article 19 An overseas leader shall generally work full-time and abide by the work requirements of the entity to which he or she belongs to and relevant regulations on attendance management. If it is necessary to hold any other post concurrently, it shall be approved by the entity to which he or she belongs and reported to the superior department of the entity.

Article 20 Passports or other international travel documents, permit for Hong Kong and Macao residents to travel to and from the mainland, permit for Taiwan residents to travel to and from the mainland, and other relevant documents of overseas leaders shall be kept by them with reference to the relevant provisions if they go abroad temporarily on business, and shall be reported to the entities to which they belong and their superior departments in advance if they go abroad for private purposes.

Article 21 An overseas leader shall be audited for economic responsibility in accordance with the relevant provisions.

Article 22 An overseas leader shall consciously abide by the provisions on confidentiality, and shall not, without permission, carry relevant work materials abroad or provide them to other institutions (individuals), nor shall he or she disseminate or release

the work materials through the Internet, other public information networks, and social networking platforms.

Article 23 Any overseas leader who violates the relevant regulations on work discipline, integrity, or social ethics or professional ethics shall be dealt with depending on the seriousness of the circumstances according to laws and regulations.

Chapter VI Removal and Dismissal

Article 24 Any overseas leader who resigns before the end of his or her term of employment, or is no longer reappointed at the end of his or her term of employment, or is not allowed to be appointed as prescribed in Article 5 of the Provisions, or is unable to perform his or her duties normally for more than 3 accumulative months within one year due to health or other reasons shall be removed or dismissed.

Article 25 An overseas leader who resigns before the end of his or her term of employment shall file a written application. Those who leave without approval shall be dealt with accordingly according to the seriousness of the circumstances. Those who cause serious consequences shall be investigated for liability according to law.

Article 26 After being removed from office or dismissed, overseas leaders shall have the duty and obligation to keep confidential the state secrets they know and the commercial secrets and know-how of the original employers for a period specified in the provisions of the State and the original employers.

Chapter VII Supplementary Provisions

Article 27 The Provisions shall not apply to public institutions subject to management by reference to the Civil Servant Law, public institutions of propaganda, ideology, culture, and education, and special posts involving national security and important secrets.

Article 28 The Provisions shall be construed by the CPC Hainan Provincial Committee and the specific work shall be undertaken by the Organization Department of the CPC Hainan Provincial Committee.

Article 29 The Provisions shall enter into force as of the date of promulgation.