



沪港联合

## **HONG KONG SHANGHAI ALLIANCE HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1001)**

### **REMUNERATION COMMITTEE**

#### **TERMS OF REFERENCE**

##### **1. Objectives**

The remuneration committee (the “**Remuneration Committee**”) of Hong Kong Shanghai Alliance Holdings Limited (the “**Company**”) is to assist the board of directors (the “**Board**”) in developing policy regarding the remuneration package for directors and, as appropriate, other key members of senior executives. The Remuneration Committee’s recommendations should be made in consultation with the chairman of the Board and/or chief executive. The Remuneration Committee should cover all aspects of remuneration, including but not limited to director’s fees, salaries, allowances, bonuses, options and benefits in kind.

##### **2. Membership**

The members of the Remuneration Committee shall be appointed by the Board and comprise a minimum of three directors of which the majority should be independent non-executive directors. The chairman of the Remuneration Committee shall be appointed by the Board and must be an independent non-executive director.

##### **3. Frequency and proceedings of meetings**

The Remuneration Committee should meet at least once per year. Additional meetings should be held as the Remuneration Committee considers necessary.

A quorum for the meeting shall be two members of the Remuneration Committee. Proceedings of meetings shall be governed by the Bye-laws of the Company.

##### **4. Attendance at meetings**

As necessary or desirable, the chairman of the Remuneration Committee may invite or request other Board members, members of senior executives, human resources executive(s), the financial controller and/or professionals to present at meetings of the Remuneration Committee.

The company secretary of the Company or such other person with appropriate qualification and experience as appointed by the Remuneration Committee from time to time shall act as the secretary of the Remuneration Committee.

Any members of the Remuneration Committee or other attendees may participate in a meeting of the Remuneration Committee by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other.

## **5. Minutes and written resolutions**

Minutes (draft and final versions) of each Remuneration Committee meeting are to be prepared and sent to the Remuneration Committee members for their comment and records respectively, in both case within a reasonable time after the meeting.

Written resolutions signed by all the members of the Remuneration Committee shall be as valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly convened and held and may consist of several documents in like form each signed by one or more of the members of the Remuneration Committee.

Copies of the minutes of the meetings/written resolutions of the Remuneration Committee shall be provided to the Board as requested.

## **6. Authority**

The Remuneration Committee is authorised by the Board to deal with any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate as requested by members of the Remuneration Committee.

The Remuneration Committee is authorised by the Board, and at the reasonable expense of the Company, to obtain outside or other independent professional advice as necessary to assist the Remuneration Committee in carrying out its duties and to secure the attendance of outsiders with relevant experience and expertise. The Remuneration Committee shall act as an advisory role to the Board.

The Remuneration Committee shall report to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).

The Remuneration Committee should be provided with sufficient resources to perform its duties.

## **7. Responsibilities, powers and functions**

The Remuneration Committee shall have the following responsibilities, powers and functions:

- (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 determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management. This should, include 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 salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
- (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; and
- (i) to consider other topics, as defined by the Board.

## **8. Availability and update**

This terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements (e.g. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited). This terms of reference shall be made available to the public by including information on the websites of The Stock Exchange of Hong Kong Limited and the Company.

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*Updated on 31 March 2016*

*(If there is any inconsistency between the English and Chinese versions of this terms of reference, the English version shall prevail.)*