



中遠海運國際(香港)有限公司
COSCO SHIPPING INTERNATIONAL (HONG KONG) CO., LTD.

Strategic Development Committee

Terms of Reference

Revised version dated 30th April 2019

Strategic Development Committee Terms of Reference

Constitution

1. The board of directors (the “Board”) of COSCO SHIPPING International (Hong Kong) Co., Ltd. (the “Company”) merged the original Executive Committee and Investment Committee, and renamed as Strategic Development Committee on 30th November 2012 and approved its terms of reference.

Membership

2. The members of the Strategic Development Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members (two of which must be Executive Directors). A quorum for the meeting shall be two committee members.
3. The chairman of the Strategic Development Committee should be an executive director and shall be appointed by the Board. In his absence, committee members present may elect another member to chair the committee meeting.

Attendance at meeting

4. In addition to the members of the Strategic Development Committee, the Financial Controller/Chief Financial Controller, the head of Strategy Development Division (if necessary) and the head of Capital & Investment Operation Division (if necessary) shall attend the meetings. The Strategic Development Committee may, from time to time, invite any Board member or senior management of the Company or any other person to attend any of its meetings so as to ensure that the Strategic Development Committee can better perform its duties and obligations.
5. The Company Secretary or his or her delegate or such other person appointed by the chairman of the Strategic Development Committee shall be the secretary of the Strategic Development Committee.

Frequency and procedure of meeting

6. Meeting(s) shall be held at least once a year. The members of the Strategic Development Committee may, from time to time, adopt the procedure governing the convening of committee meetings, the means and procedure for passing the resolutions at committee meetings.

7. The Strategy Development Division shall be responsible for providing the relevant materials for decision making process of the Strategic Development Committee:
 - a. For annual strategic development plan
 - (i) submit annual medium-long term strategic development plan of the Company; and
 - (ii) review the strategic development plan of last year in accordance with the prevailing market conditions and the Company's situations and thereafter submit a formal report to the Strategic Development Committee.
 - b. For individual development project
 - (i) the project-in-charge shall submit the basic information regarding the proposals on major investment financing, capital deployment and operation of assets, etc., including the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and
 - (ii) the Capital & Investment Operation Division shall carry out feasibility study of the proposed project and issue opinion on project establishment and thereafter submit a formal proposal to the Strategic Development Committee.

Authority

8. The Strategic Development Committee is authorised by the Board to carry out such related matters in accordance with its terms of reference. It is authorised to obtain any information it requires from any employees of the Company and all the employees of the Company are required to co-operate with any request made by the Strategic Development Committee.
9. The Strategic Development Committee is authorised by the Board to seek advice from external professionals at the Company's expense, and if necessary, may invite those external professional(s) to attend the meeting of Strategic Development Committee.

Duties

10. The duties of the Strategic Development Committee are as follows :
 - a. to review the annual strategic development plan of the Company (including investment policies and investment risk management policies) and monitor the implementation of strategies;
 - b. to review the major investment projects (including acquisition project, disposal project, forming of new joint venture) and financing proposals;

- c. to review the major capital deployment and project on operation of assets, including investments and major capital expenditure proposed by the subsidiaries and consider the materiality in terms of its nature or size at the point of view of holding company;
- d. to review other major matters affecting the development of the Company;
- e. to review the strategic direction of the Company's business and consider the responsibilities of the Company towards the shareholders, customers, employees and other stakeholders of the Company;
- f. to review and evaluate the project evaluation systems, including important elements such as professional evaluating organisations, complete evaluation procedures and appropriate evaluation standards;
- g. to review the operational management of the Company and optimise the Company's resources in a reasonable manner;
- h. to review the major new business development;
- i. to review the progress of implementation of the above mentioned matters; and
- j. other matters authorised by the Board.

Other procedure

11. The secretary of the Strategic Development Committee, in consultation with the chairman of the Strategic Development Committee, should be responsible for drawing up the agenda of each Strategic Development Committee meeting. The secretary of the Strategic Development Committee shall assist the chairman of the Strategic Development Committee and ensure that all committee members shall have sufficient information in timely manner to enhance effectiveness of the Strategic Development Committee meeting. The chairman of the Strategic Development Committee, with the assistance of the head of Strategy Development Division or the head of Capital & Investment Operation Division (as the case may be), briefs all the committee members on the issues arising at each Strategic Development Committee meeting.
12. The secretary of the Strategic Development Committee shall circulate the draft and final versions of the minutes of each meeting to all committee members for their comment and records within seven (7) working days after each meeting. All minutes of the committee meetings shall record in sufficient detail the matters considered, decisions reached, matters of concern raised by committee members and their dissenting views.
13. All decisions reached in the Strategic Development Committee meeting must be reported to the Board.