



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

## **Remuneration Committee**

### **Terms of Reference**

**Revised version dated 30th April 2019**

## **Remuneration Committee Terms of Reference**

### ***Constitution***

1. The board of directors (the “Board”) of COSCO SHIPPING International (Hong Kong) Co., Ltd. (the “Company”) established a Remuneration Committee on 3rd March 2005 and approved its terms of reference.

### ***Membership***

2. The members of the Remuneration Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members, a majority of whom should be independent non-executive directors. A quorum for the meeting shall be two committee members.
3. The chairman of the Remuneration Committee should be an independent non-executive director and shall be appointed by the Board. In his absence, committee members present may elect another member who is an independent non-executive director to chair the committee meeting.

### ***Attendance at meeting***

4. The Remuneration 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 Remuneration 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 Remuneration Committee shall be the secretary of the Remuneration Committee.

### ***Frequency and procedure of meeting***

6. Meeting(s) shall be held at least once a year. The members of the Remuneration 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.

### ***Authority***

7. The Remuneration 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 Remuneration Committee.
  
8. The Remuneration Committee is authorised by the Board to seek advice from professionals, such as external personnel consultants, at the Company's expense so as to ensure the Board remains informed of market trends and practices and if necessary, may invite those external professional(s) to attend the meeting of the Remuneration Committee.

### ***Duties***

9. The duties of the Remuneration Committee are as follows :
  - a. to make recommendations to the Board on the Company's policy and the 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 senior management's remuneration proposals with reference to the Board's corporate goals and objectives;
  - c. to consult the Chairman or Vice Chairman of the Board and the Managing Director to determine the remuneration standard and the structure of the Board relative to other companies. For such purpose, the Remuneration Committee should obtain the latest remuneration standard from the comparable companies in the market, or if necessary, to engage external personnel consultants for obtaining such information;
  - d. to determine 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. The Remuneration Committee should consider salaries paid by comparable companies, time commitment and responsibilities, employment conditions elsewhere in the Company and its subsidiaries (collectively the "Group"), financial status of the Group, rewards linked to corporate and individual director's performance and the overall economy condition;
  - e. to make recommendations to the Board on the remuneration of non-executive directors by considering salaries paid by comparable companies, time commitment and responsibilities, employment conditions elsewhere in the Group, financial status of the Group and the overall economic condition;

- f. to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment (if applicable) to ensure that it is consistent with contractual terms (if there are relevant 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 disclose properly in the annual report regarding directors' remuneration in accordance with the accounting principles and the Listing Rules; and
- i. to ensure that no director or any of his associates is involved in deciding his own remuneration.

***Other procedures***

- 10. The secretary of the Remuneration Committee, in consultation with the chairman of the Remuneration Committee, should be responsible for drawing up the agenda of each Remuneration Committee meeting. The secretary of the Remuneration Committee shall assist the chairman of the Remuneration Committee and ensure that all committee members shall have sufficient information in timely manner to enhance effectiveness of the Remuneration Committee meeting. The chairman of the Remuneration Committee, with the assistance of the head of Human Resources Division, briefs all the committee members on the issues arising at each Remuneration Committee meeting.
- 11. The secretary of the Remuneration 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.
- 12. All decisions reached in the Remuneration Committee meeting must be reported to the Board.

Revised on 12th December 2006

Revised on 22nd March 2012

Revised on 24th August 2017

Revised on 30th April 2019