



## **Shenzhen International Holdings Limited**

### **Terms of Reference of the Remuneration and Appraisal Committee of the Board of Directors**

#### **1. Status**

1.1 The Remuneration and Appraisal Committee (the “Committee”) is a sub-committee of the board of directors (the “Board”) of Shenzhen International Holdings Limited (the “Company”) to which the Board has delegated to perform its duties as set out in below.

#### **2. Composition**

2.1 The Committee shall consist of at least three members, the majority of the members shall be independent non-executive directors.

2.2 Members of the Committee shall be appointed, replaced and removed by the Board after considering the recommendations of the Committee.

2.3 Only members of the Committee are entitled to attend meetings, but the Committee may invite other Board members, senior management or representatives from other departments to attend meetings as appropriate. External consultants may also be invited to attend meetings of the Committee.

#### **3. Chairman of the Committee**

3.1 The chairman of the Committee shall be an independent non-executive director and be appointed by the Board after being elected among the members. All meetings shall be chaired by the chairman of the Committee. In the absence of the chairman of the Committee, members present at the meeting may elect another member to chair the Committee meeting.

3.2 The chairman of the Committee should attend the annual general meeting to answer shareholders’ questions on the Committee’s activities.

#### **4. Reporting procedures and frequency of meetings**

4.1 The secretary of the Committee shall be appointed, replaced and removed by the Committee.

4.2 Any member may call a meeting of the Committee through the secretary of the Committee. The Committee shall meet at least once a year (excluding resolutions in writing). The Committee may convene additional meetings as and when necessary.



- 4.3 The secretary of the Committee shall attend the Committee meetings and shall be responsible for preparing minutes of the meetings. Draft and final versions of minutes shall be circulated and sent to all members present at the meeting for comments and records within a reasonable time after the meetings being held. The minutes shall be signed by the chairman of the meeting or put to vote at the next meeting for confirmation. All directors shall be entitled to inspect and request at any time copies of the minutes of the Committee meetings.
- 4.4 The chairman of the Committee shall report to the Board the decisions or recommendations made by the Committee within the terms of reference.

## **5. Notice of meetings**

- 5.1 The secretary of the Committee may convene a meeting by serving notice to each member in writing or by other electronic means. The period of notice of a meeting shall not be less than five days, including the date of issuing the notice and the date of the meeting. However, with the unanimous consent of all members, the said period of notice of the meeting can be exempted. Under normal circumstances, the meeting documents should be despatched together with the agenda and notice of the meeting.
- 5.2 Any member may propose an issue to be submitted to the meeting for discussion; the secretary of the Committee shall draft the agenda of the meeting and submit to the chairman of the Committee for approval.

## **6. Quorum and vote at the meetings**

- 6.1 The quorum of meetings of the Committee shall be at least two members. Members are not entitled to appoint proxies.
- 6.2 Each member present at the meeting shall have one vote. All resolutions put to vote at the meeting shall be passed by a majority of votes of the members present at the meeting to be valid. In case of an equality of votes, the chairman of the meeting shall be entitled to a second or casting vote.
- 6.3 Members who are unable to attend the meeting in person can participate by telephone or by other electronic communication facilities. Members participating in the meeting by telephone or by other electronic communication facilities shall be deemed as being present at the meeting.
- 6.4 Members who are unable to attend the meeting may state their opinions in writing. The written opinions of such absent members, who are not entitled to vote in that meeting, shall be recorded in the minutes.
- 6.5 Any resolution in writing signed by all members shall be deemed as having been passed at a lawful meeting.



## **7. Duties**

The Committee's duties shall include the following:

### **Remuneration policy**

- 7.1 review and consider about the level, policy and structure of the remuneration of directors and senior management and the establishment of formal and transparent procedures for developing remuneration policy, and make recommendations to the Board.
- 7.2 consider the business performance assessment methods and remuneration management methods for the senior management (including Chief Executive Officer) ; organise the business performance assessment of the senior management and make recommendations to the Board on the assessment results according to the Company's goals approved by the Board.
- 7.3 consider all related factors sufficiently when developing remuneration policy. These include providing adequate incentives to executive directors and senior management for motivation and at the same time rewarding individual employees for their contribution to the Company in a fair and responsible way.

### **Remuneration packages**

- 7.4 consider the remuneration packages of executive directors and senior management, including benefits in kind and pension entitlements etc.
- 7.5 make recommendations to the Board on the remuneration of non-executive directors.
- 7.6 in considering the remuneration proposals for directors and senior management, the Committee should take into consideration the factors such as the company's goals and objectives approved by the Board, salaries paid by comparable companies, their time commitment and responsibilities, employment conditions elsewhere in the Group and other relevant factors etc.
- 7.7 consult the Chairman of the Board and/or the Chief Executive Officer regarding remuneration proposals for other executive directors and seek professional advice, if necessary.
- 7.8 review and approve compensation payable to executive directors and senior management for any loss or termination of offices or appointments to ensure that they are consistent with the terms of the relevant contracts and are otherwise fair and reasonable and not excessive.
- 7.9 review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with the terms of the relevant contracts and are otherwise reasonable and appropriate.



7.10 ensure that no director or senior management or any of their associates is involved in determining or discussing his or her own remuneration.

#### **Incentive schemes**

7.11 make recommendations to the Board on the directors' and senior management's participation in the incentive remuneration scheme and the share scheme, including benefits obtained from bonuses, share options, share awards or other similar schemes and the operation and supervision of these schemes.

7.12 review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

#### **Other duties**

7.13 the Committee shall review its terms of reference and make recommendations on amendments to the Board where appropriate.

7.14 the Committee shall review the Committee's work and progress disclosed in the annual report of the Company every year.

### **8. Authority**

8.1 The Committee is authorised by the Board to carry out such related matters in accordance with its terms of reference, and access to the information, record or report from any employee of the Group in order to perform its duties and request any employee to attend meetings of the Committee and answer questions as and when required.

8.2 The Committee shall be provided with sufficient resources to perform its duties. The Committee is authorised by the Board to seek advice from external personnel consultants and other professionals, including defining the terms of reference of consultants, approving consultant fees and other retainer terms, but if the consultant fee exceeds HK\$500,000, discussion with the executive board committee is required.

### **9. Others**

9.1 These terms of reference shall not override the Memorandum of Association and Bye-Laws of the Company, especially the requirements that members are not entitled to vote in case of conflicts of interests.

9.2 The requirements for the proceedings of the Board meetings that are not stipulated in these terms of reference but provided in the Memorandum of Association and Bye-Laws of the Company shall be applicable to the proceedings of the meetings of the Committee.



9.3 These terms of reference may be amended, supplemented and revoked from time to time by the Board without violation of the Memorandum of Association and Bye-Laws of the Company and the Listing Rules (including the Corporate Governance Code).

- The End -

***Adoption/amendments of the Terms of Reference:***

<i>March 2004</i>	<i>Adoption approved by the Board</i>
<i>March 2005</i>	<i>Amendments approved by the Board</i>
<i>March 2011</i>	<i>Amendments approved by the Board</i>
<i>November 2015</i>	<i>Change of committee name as approved by the Board</i>
<i>January 2023</i>	<i>Amendments approved by the Board</i>

***Note:*** *The English translation of this Terms of Reference is for reference only. Should there be any discrepancy between the English and Chinese versions, the Chinese version shall prevail.*