



SHIMAO GROUP HOLDINGS LIMITED
世茂集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 813)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

Membership

1. The members of the Remuneration Committee (the “Committee”) of Shimao Group Holdings Limited (the “Company”) shall be appointed by the board of directors of the Company (the “Board”) from time to time from among the directors of the Company (the “Directors”) and shall consist of not less than three members, a majority of whom should be independent non-executive Directors.
2. The chairman of the Committee shall be appointed by the Board and must be an independent non-executive Director.

Frequency and proceedings of meetings

3. The Committee shall meet at least once every year. Additional meetings shall be held as and when the work of the Committee demands.
4. The chairman of the Committee may convene additional meetings at his/her discretion.
5. The quorum of a meeting shall be two members of the Committee.
6. The Committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants to advise its members.
7. Proceedings of the meetings of the Committee shall be governed by the provisions of Article 121 of articles of association of the Company.

Duties, powers and functions

8. The Committee shall:-
 - 8.1 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;
 - 8.2 review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives;

- 8.3 make recommendations to the Board on the remuneration packages of the executive Directors and senior management which should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- 8.4 make recommendations to the Board on the remuneration of non-executive Directors;
- 8.5 consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- 8.6 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;
- 8.7 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;
- 8.8 ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration;
- 8.9 consult the Chairman of the Board and/or Managing Director about their remuneration proposals for other executive Directors and senior management;
- 8.10 engage such external professional advisors to assist and/or advise the Committee on issues as it considers necessary;
- 8.11 do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board;
- 8.12 conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation;
- 8.13 review and/or approve matters relating to share scheme under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"); and
- 8.14 consider and implement other matters, as defined or assigned by the Board or otherwise required by the Listing Rules from time to time.

Reporting procedures

9. The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report the findings and recommendations of the Committee to the Board.