

Terms of Reference of the Remuneration Committee of Shanghai Commercial Bank Limited

Membership

The Committee shall be appointed by the Board from amongst the non-executive directors of the Bank and shall consist of not less than two members, the majority of whom should be independent non-executive directors. A quorum shall be two members.

The Chairman of the Committee shall be appointed by the Board.

Attendance at meetings

The Chairman may for any specific purpose invite any director(s) or officer(s) to attend any meeting(s) of the Committee.

The Assistant Corporate Secretary shall be the secretary of the Committee.

Frequency of meetings

Meetings shall be held at least once a year.

Authority

The Committee is authorized by the Board to deal with any matter within its terms of reference and to obtain outside professional advice if it considers this necessary.

Duties

The duties of the Committee shall be:

- (a) to make recommendations to the Board on the Bank's policy and structure for all remuneration of directors and senior management (officers with the rank of Assistant General Manager or above);
- (b) to determine the specific remuneration packages of all executive

- directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive directors;
- (c) to determine performance-based remuneration; and
 - (d) to ensure that no director or any of his associates is involved in deciding his own remuneration.

Reporting procedure

The Chairman of the Committee shall report to the Board on the recommendations of the Committee after each meeting.