

(In the event of conflicts or inconsistent meaning between the Chinese and the English versions of the Rules, the Chinese version shall prevail.)

COSCO SHIPPING Holdings Co., Ltd.

Operation Rules for the Remuneration Committee of the Board of Directors

(Approved by the 24th Meeting of the Sixth Session of the Board of Directors of the Company)

Chapter I General Provisions

Rule 1 In accordance with the Company Law of the People’s Republic of China, the Corporate Governance Standards of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association of COSCO SHIPPING Holdings Co., Ltd. (hereinafter referred to as the “Articles of Association”) and other applicable rules and regulations, the Company hereby establishes the Remuneration Committee (hereinafter referred to as the “Committee”) of the Board of Directors and adopts the Operation Rules for the following purposes: to ensure the sustainable, standardized and healthy development of the Company, to standardize the assessment and remuneration management procedures for Directors and the senior management, to improve the Company’s corporate governance structure, to strengthen the scientific decision-making by the Board of Directors and to enhance the standard of decision-making by the Board of Directors.

Rule 2 As a special working body comprised of Directors of the Company, the Committee is mainly responsible for formulation of the remuneration policies and plans of Directors and senior management of the Company, and is accountable to the Board of Directors. It also determines the remuneration policies and plans of the Company’s supervisors with reference to those of the Directors.

Rule 3 “Directors” in the Rules refers to members of the Company’s Board of Directors. “Senior Management” in the Rules refers to General Manager, Deputy General Manager, the Chief Financial Officer, the Secretary to the Board of Directors, the Assistant to the General Manager, etc.

Chapter II Composition

Rule 4 The Committee shall comprise three (3) to five (5) Directors, and the majority of the Committee members shall be independent non-executive Directors. The members of the Committee shall be nominated by the Chairman of the Board of Directors, more than half of the independent non-executive Directors, or more than one third of the Directors; and shall be appointed and removed by votes of more than half of all the Directors.

Rule 5 The Committee shall have a chairman who shall be an independent non-executive Director, responsible for presiding over all the work of the Committee. Chairman of the Committee shall be nominated by the Chairman of the Board of Directors, and shall be appointed and removed by votes of more than half of all the of Directors.

Rule 6 Members of the Committee shall be elected for a term of office equivalent to that of the Directors. Members of the Committee may serve consecutive terms if re-elected upon the expiry of their terms of office. Any member of the Committee who ceases to be a member of the Board of Directors during his term of office shall automatically cease to be a member of the Committee. The Board of Directors shall fill the vacancy pursuant to Rules 4 and 5 mentioned above.

Rule 7 The corresponding contact department for the Committee is the Company's Human Resource Department. The corresponding responsible contact person for the Committee is the head of the Human Resource Department. The Human Resource Department and the General Office of the Board of Directors are responsible for the daily liaison and meeting arrangement for the Committee.

Chapter III Duties and Power of Authorization

Rule 8 The main duties and power of authorization of the Committee include:

1. determine remuneration policies, plans or schemes based on factors such as the scope of work, responsibilities, significance, time commitment of Directors and senior management, employment conditions of other positions in the Group, and remuneration level for relevant positions of other comparable companies;

2. recommend to the Board of Directors on the Company's remuneration policies, plans or schemes and incentive policies (such as stock appreciation rights). These include but are not limited to (1) major plans and systems for performance evaluation standards, incentives and penalties; (2) remuneration packages of individual executive Directors and senior management members, including benefits in kind, pension rights and compensation payments, etc. (including any compensation payable for loss or termination of their office or appointment); (3) remuneration of non-executive Directors; (4) overall remuneration policy and structure of the Company's Directors and senior management; and (5) establishment of formal and transparent procedures for determining remuneration policies;
3. review the performance of Directors and senior management and conduct annual performance evaluation;
4. establish and review the remuneration policies of Directors, dispatched Directors, senior management and supervisors, etc. and implementation of such policies;
5. determine the remuneration policies and schemes of supervisors with reference to that of Directors. The remuneration policies and schemes, once approved by the Board of Directors, shall be submitted to the shareholders' meeting as proposals;
6. review and approve management's remuneration proposals with reference to the corporate policies and objectives adopted by the Board of Directors from time to time, and oversee the implementation of the Company's remuneration system;
7. review and approve the matters relating to the share plans as mentioned in Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange");
8. review and approve the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with contractual terms, or that such compensation is otherwise fair and reasonable and not excessive for the Company; review and approve compensation arrangements relating to the dismissal or removal of Directors for reason of misconduct to ensure that such arrangements are consistent with the contractual terms or are otherwise reasonable and appropriate;
9. ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration;

10. the Committee shall also carry out any other matters as authorized by the Board of Directors.

Rule 9 The Committee serves as an advisor to the Board of Directors and is accountable to the Board of Directors. The Committee's proposals shall be submitted to the Board of Directors for review and approval. The remuneration package of Directors proposed by the Committee shall be considered by the Board of Directors and submitted to the shareholders' general meeting for consideration and approval before implementation. The remuneration package of senior management proposed by the Committee shall be considered and passed by the Board of Directors before implementation.

Rule 10 A Committee member who fails to attend meetings for two consecutive times without proper reasons shall be deemed to be unable to perform his/her duties and the Board of Directors can make adjustment therefor.

Chapter IV Working Procedures

Rule 11 Pursuant to applicable laws and regulations and the Articles of Association, and in light of the Company's actual circumstances, the Committee shall study the Company's policies and structures for remuneration to prepare written proposals which shall be submitted to the Board of Directors for consideration and approval before implementation accordingly.

Rule 12 Specific working procedures:

1. consult the Chairman and Vice Chairman of the Board of Directors and/or the General Manager of the Company regarding the remuneration proposals for other executive Directors. Actively discuss with relevant personnel of the Company and may seek independent and professional advice from consultation agency when necessary (the cost shall be borne by the Company) on the overall remuneration policies and structures of Directors and senior management of the Company, and on the establishment of formal and transparent procedures for determining such remuneration policies and prepare written materials accordingly;
2. review relevant system of the Company and form written amendment suggestions with reference to the policies and objectives adopted by the Board of Directors from time to time;

3. convene Committee meetings and review relevant documents in accordance with the Company's development objectives;
4. submit relevant suggestions and materials to the Board of Directors before meetings of the Board of Directors;
5. implement follow-up work based on the Board of Directors' resolutions and feedback;
6. chairman of the Committee shall attend the Company's annual general meetings and respond to questions raised by the shareholders. If the Chairman of the Committee cannot attend the meeting in person, at least one member of the Committee shall attend.

Chapter V Rules of Meetings

Rule 13 The Committee shall meet from time to time as circumstances dictate. Any member of the Committee, the Chairman of the Board of Directors, or the General Manager, may convene meetings of the Committee. The meetings shall be chaired by the Chairman of the Committee. If the Chairman of the Committee cannot attend the meeting for any reasons, he/she shall authorize another member of the Committee who is an independent non-executive director to chair the meeting. Meetings may be held in the form of physical meetings, video conferencing, teleconferencing or written resolutions.

Rule 14 The Human Resource Department of the Company shall notify each Committee member and attendee of the meeting five (5) days prior to the meeting in respect of time, venue, agenda and relevant written materials of the meeting.

Rule 15 A Committee meeting may not be held unless it is attended by more than half of the members. A meeting shall be attended by members in person or in the form of teleconferencing or with the use of similar communication devices. If a member cannot attend the meeting in person, he/she may authorize in writing another member to attend the meeting on his/her behalf. The power of attorney shall contain items such as the names of the appointer and the appointee, the scope of authorization, the appointee's power of authorization, the duration of the authorization, the signature of the appointer and the date. Each member shall have one (1) vote. A resolution proposed at a meeting shall be passed by more than half of all members present at the meeting.

Rule 16 Voting of a meeting shall be by a show of hands; voting of a meeting convened in writing shall be by means of communication. In the event that issues to be discussed at the meeting are related to a member of the Committee, such member concerned shall abstain from voting.

Rule 17 The Directors, supervisors, senior management of the Company and other personnel may be invited to attend the meetings as required should the Committee consider necessary.

Rule 18 The procedures of the meeting, the ways to vote, and the approved resolution shall conform to the applicable laws, regulations, the Article of Association and the requirements of the Rules.

Rule 19 The resolutions passed at the Committee meeting and the voting result shall be submitted in writing to the Company's Board of Directors and reported at the meeting of the Board of Directors.

Rule 20 Committee members and non-voting representatives who attend the meeting shall keep confidential all information related to such meeting. Unauthorized disclosure is strictly prohibited.

Rule 21 The Company shall ensure that the Committee has enough resources to perform its functions. The Committee may seek independent professional advice at the expense of the Company.

Chapter VI Supplementary Provisions

Rule 22 The Company's Human Resource Department shall be responsible for maintaining complete written minutes of meetings, resolutions and suggestions, which shall be kept for record by the General Office. The draft and final versions of the minutes of meetings/resolutions/proposals shall be delivered to all Committee members within seven (7) days after the meetings. The draft version is for comments of the Committee members and the final version shall be signed by the members or Chairman of the Committee after being reviewed by the Committee members.

Rule 23 The General Office of the Board of Directors shall keep the minutes of meetings/resolutions/proposals of the Committee meetings so that they are available for inspection anytime by all members of the Board of Directors. The minutes of meetings/resolutions/proposals shall be maintained for five (5) years.

Rule 24 The Committee members shall report to the Board of Directors at regular meetings about their fulfillment of duties as outlined in the Corporate Governance Code.

Rule 25 The terms of reference of the Committee shall be made available at the website of COSCO SHIPPING Holdings Co., Ltd. and the website of the Hong Kong Stock Exchange.

Rule 26 Any matters not covered herein shall be governed by the relevant laws and regulations of the People's Republic of China, the listing rules promulgated by the Shanghai Stock Exchange and the Hong Kong Stock Exchange, and the Articles of Association. Should the Rules conflict with the laws and regulations to be issued by the State in the future, the listing rules promulgated by the Shanghai Stock Exchange and the Hong Kong Stock Exchange, or amended Articles of Association through legitimate procedures, the relevant laws and regulations by the State, the listing rules promulgated by the Shanghai Stock Exchange and the Hong Kong Stock Exchange and the Articles of Association shall prevail. The Board of Directors shall amend the Rules accordingly in a timely manner.

Rule 27 The Board of Directors shall be responsible for the interpretation of the Rules.

Rule 28 The Rules shall take effect upon approval by the Board of Directors.