上海大众公用事业(集团)股份有限公司董事会薪酬与考核委员会实施细则

第一章 总则

1 In order to further establish and enhance the system for managing remuneration and appraisal of the directors and senior management of Shanghai Dazhong Public Utilities (Group) Co., Ltd. (hereinafter referred to as the "公司"), and to improve its corporate governance structure, the Company established the Remuneration and Appraisal Committee of the board of directors (the "委员会") and formulated these rules of procedures in accordance with the Company Law of the People's Republic of China, Code of Corporate Governance for Listed Companies, the Articles of Association of Shanghai Dazhong Public Utilities (Group) Co., Ltd. (hereinafter referred to as the "公司章程"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "香港联交所上市规则"), as well as the provisions of other relevant laws, administrative regulations, departmental rules and regulatory documents.

2 As a specific working body established by the Board in accordance with the Articles of Association, the main responsibilities of the Remuneration and Appraisal Committee are to formulate standards for appraising directors and senior management of the Company and conduct appraisals; and to formulate and review the policies for and proposals on the remuneration of directors and senior management of the Company in accordance with relevant guidelines of the State-owned Assets Supervision and Administration Commission of the State Council. The Committee shall be accountable to the Board.

Senior management as referred to herein refers to the manager, deputy manager, chief financial officer and secretary to the Board appointed by the Board. The scope of appraisal of these terms of reference does not apply to the independent directors who did not receive remuneration from the Company.

第二章 人员组成

The Remuneration and Appraisal Committee shall be comprised of three directors with a majority of independent non-executive directors.

The members of the Remuneration and Appraisal Committee shall be nominated by the chairman of the Board or not less than one third of all directors for election by the Board.

The Remuneration and Appraisal shall have a chairman who shall be an independent non-executive director, and be in charge of the work of the Committee.

The term of office of the members of the Remuneration and Appraisal Committee shall be the same as that of the directors. A member of the Committee may serve consecutive terms if re-elected upon the expiry of his/her term of office. If any member ceases to be a director of the Company or ceases to have the independence as set out in the Articles of Association and the Listing Rules during his/her term of office, he/she shall immediately cease to be a member of the Committee. The vacancy shall be filled up by the Board in accordance with the Article 4 to Article 6 above.

The Remuneration and Appraisal Committee shall establish a working group which is responsible for providing information on the operation of the Company and relevant information of other persons to be appraised, preparing for meetings of the Remuneration and Appraisal Committee and implementing resolutions of the Remuneration and Appraisal Committee. The members of the working group do not need to be the member of the Remuneration and Appraisal Committee.

The major powers and duties of the Remuneration and Appraisal Committee include:

(1) to study the standards for appraising directors, managers and other senior management, to conduct appraisals and give recommendations to the Board on establishing formal and transparent procedures to formulate those remuneration policies;

(2) to study and review the remuneration policies and plans for directors, managers and senior management;

(3) to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management, or make recommendations to the Board on the remuneration packages of individual 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);

(4) to make recommendations to the Board on the remuneration of non-executive directors;

(5) to supervise the implementation of the remuneration system of the Company;

(6) to examine and approve the proposed remunerations to the management according to the corporate goals and objectives formulated by the Board;

(7) to consider the remuneration, time devoted and duties of relevant positions in comparable companies and appointment criteria for other positions in its subsidiaries;

(8) to review and approve the compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with the contractual terms or is otherwise fair and reasonable and not excessive;

(9) to review and approve compensation arrangements relating to the dismissal or removal of directors for reason of misconduct to ensure they are consistent with the contractual terms or are otherwise reasonable and appropriate;

(10) to ensure that no director or any of his/her associates is involved in determining his/her own remuneration;

(11) to address other matters as authorized by the Board.

10 The Remuneration and Appraisal Committee shall be accountable to the Board. Any proposals of the Remuneration and Appraisal Committee shall be submitted to the Board for consideration and approval;.

All cases, materials and information considered and discussed by the Remuneration and Appraisal Committee shall be made available to the Board for its study and decision in the form of report, recommendation or summary.

11 The remuneration plans for the directors of the Company proposed by the Remuneration and Appraisal Committee shall be approved by the Board and submitted to a shareholders' general meeting for approval before implementation. The remuneration plans for the senior management of the Company shall be submitted to the Board for approval before implementation. The Board shall have the power to veto remuneration plans or proposals which are contrary to the interests of the shareholders.

12 The working group under the Remuneration and Appraisal Committee shall be responsible for making preliminary preparations for the decision-making process of the Remuneration and Appraisal Committee, and providing relevant information of the Company as follows:

(1) fulfillment by the Company of the key financial indicators and operation objectives;

(2) the division of labor among the Company's senior management and their main duties;

(3) completion in relation to the work performance appraisal system involving indicators of directors and senior management;

(4) the business initiatives and profit-making ability of directors and senior management in business operation;

(5) the basis for formulating the Company's plans and methods for fixing remunerations based on its operating results.

1 The procedures for appraising directors and senior management adopted by the Remuneration and Appraisal Committee are as follows:

(1) the directors and senior management of the Company shall report their work and conduct self-appraisals to the Remuneration and Appraisal Committee;

(2) the Remuneration and Appraisal Committee shall carry out performance appraisal of the directors and senior management according to the performance appraisal standards and procedures;

(3) a proposal on the amount of remuneration and method of incentives for the directors and senior management based on the results of work performance appraisals and prepared according to the remuneration policies shall be made and, after a voting in its favor, shall be reported to the Board.

1 The Remuneration and Appraisal Committee may engage intermediary firms to provide professional advices on its decisions where necessary at the expense of the Company.

1 Meetings of the Remuneration and Appraisal Committee shall be held at lease once a year and a notice shall be given to all members of the Committee three days prior to the convening of a meeting. The meeting shall be convened and presided over by the chairman. In the event that the chairman is unable to be present at the meeting, he/she shall entrust another member of the Company who shall be an independent non-executive director, to act on his/her behalf. An extraordinary meeting may be held any time when the chairman of the Remuneration and Appraisal Committee considers necessary or when proposed by at least half of the members of the Committee.

1 A meeting of the Remuneration and Appraisal Committee shall not be held unless attended by at least two members (including members who entrust other members to attend such meeting in writing). Each member shall have one vote and the resolutions passed at the meeting must be approved by a majority of all members of the Committee.

1 The voting of the Remuneration and Appraisal Committee shall be taken by registered vote.

1 Members of the working group may attend the meeting of the Remuneration and Appraisal Committee. The Remuneration and Appraisal Committee may invite directors, supervisors and senior management of the Company to attend its meetings if necessary.

1 When any subject of discussion of the Remuneration and Appraisal Committee relates to a member of the Committee at a meeting, such member shall abstain from such meeting.

20 The procedures for convening a meeting of the Remuneration and Appraisal Committee, the voting method and the remuneration policies and distribution plans passed at such meeting shall be in compliance with the provisions of relevant laws, administrative regulations, other regulatory documents, the Articles of Association, the Listing Rules and these terms of reference.

21 The Remuneration and Appraisal Committee shall keep minutes of its meetings. Members of the Committee who attend the meeting shall sign their names on the minutes. The Secretary to the Board shall keep the minutes of the Committee meetings.

22 Resolutions passed and any voting results taken at the meeting of the Remuneration and Appraisal Committee shall be reported in writing to the Board of the Company.

2 Members of the Committee and persons attending the meeting shall undertake confidentiality obligations for all items discussed at the meeting and shall not disclose any relevant information without permission.

2 Unless otherwise specified, the terms used herein shall have the same meaning ascribed thereto under the Articles of Association.

2 These terms of reference were considered and approved by the Board of the Company and shall become effective from the date of the listing of overseas listed foreign shares (H Shares) issued by the Company on The Stock Exchange of Hong Kong Limited and the original terms of reference shall lapse.

2 Any matters not covered by these terms of reference shall be implemented in accordance with the provisions of relevant laws, administrative regulations, other regulatory documents and the Articles of Association. In the event that these terms of reference are inconsistent with relevant laws, administrative regulations, other regulatory documents, the Articles of Association or the Listing Rules amended from time to time, such relevant laws, administrative regulations, other regulatory documents, the Articles of Association and the Listing Rules shall prevail and these terms of reference shall be amended forthwith and submitted to the Board of the Company for consideration and approval.

2 In these terms of reference, the meaning of “no less than” and “at least” includes the number itself, while “less than” and “more than” excludes the number itself.

2 These terms of reference shall be formulated and amended by the Board, the interpretation of which shall be vested in the Board.