

THE HONGKONG AND SHANGHAI HOTELS, LIMITED
(the “Company”)

FINANCE COMMITTEE
(the “Committee”)

TERMS OF REFERENCE

MEMBERSHIP

The Committee shall have at least three members to be appointed by the Board and consist of Non-Executive Directors with the Chief Executive Officer and Chief Financial Officer.

The Company Secretary or his or her nominee shall act as the secretary of the Committee.

MEETINGS

The Committee shall meet at least on a monthly basis and additionally as required.

The quorum of a meeting shall be two members of the Committee with at least one Non-Executive Director.

Written resolutions shall be passed and adopted by all Committee members.

MAIN RESPONSIBILITIES

- 1 To review all financial aspects and budgets of any significant acquisitions, investments, disposal of assets and new project commitments.
- 2 To review and approve the establishment of the Group’s financial and annual operational plans, budgets and forecasts, and any revisions.
- 3 To review the Group’s financial performance, including interim and annual financial statements and reports and proposal for dividends and transfer to reserve.
- 4 To review post implementation of capital projects.
- 5 To approve major contracts and variations.
- 6 To review the establishment of corporate capital and operating contingencies and review and approve requests for drawing on such contingencies within the approved budgets.
- 7 To endorse the issue and allotment of shares and share buy-back.
- 8 To review and approve major treasury policies on financing and financial risk management.
- 9 To review and approve other treasury matters such as investment of surplus funds, arrangement of financing and re-financing, management of foreign exchange and hedging of interest rate risks and other banking activities within the limits set out in the Company Management Authority Manual.
- 10 To review and approve the granting of guarantees and indemnities within the limits set out in the Company Management Authority Manual.

- 11 To approve major claims and litigation, and instituting or settling legal or arbitration proceedings within the limits set out in the Company Management Authority Manual.
- 12 To review and approve the Group's annual insurance programme.
- 13 To approve or endorse any recommendations or decisions in accordance with the powers granted to it under the Company Management Authority Manual.
- 14 To carry out any other duties as the Board may delegate from time to time.
- 15 To report to the Board the Committee's decisions and recommendations.
- 16 To review the Committee's terms of reference periodically and recommend any proposed changes to the Board.

Note: The Board approved this set of terms of reference for the Committee on 14 December 2016.