

THE HONGKONG AND SHANGHAI HOTELS, LIMITED

(the “Company”)

EXECUTIVE COMMITTEE

TERMS OF REFERENCE

1. CONSTITUTION

The Board of Directors of the Company (the “Board”) adopted this set of Terms of Reference for the Executive Committee (the “Committee”) by resolution passed on 1st March 2005.

2. PURPOSE

- 2.1 To assist the Board in conducting the operations and business affairs of the Company.
- 2.2 To approve or endorse any recommendations or decisions in accordance with the Company Management Authority Manual.
- 2.3 To review matters and initiate discussions in relation to the composition of the Board from time to time.

3. RESPONSIBILITIES

- 3.1 The Committee shall have the authority to approve or endorse any recommendations made by the Group Management Committee or Finance Committee of the Company on any of the matters in accordance with the powers granted to it under the Company Management Authority Manual (as amended from time to time).
- 3.2 To review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes.
- 3.3 To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships.
- 3.4 To assess the independence of the independent non-executive directors.

- 3.5 To make recommendations to the Board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors in particular the Chairman and the Chief Executive Officer.
- 3.6 To carry out any other duties as the Board may delegate from time to time and report back to the Board on their decisions or recommendations.

4. MEMBERS

All members of the Committee shall be appointed by the Board and the Board may, from time to time, at their discretion, revoke the setting up of the Committee or the appointment of any members thereof.

5. PROCEEDINGS

Unless otherwise specified by the Board, two members of the Committee shall form a quorum. Attendance may be in person or through electronic means of communication.

6. MEETINGS

- 6.1 The Committee shall meet not less than bi-monthly (formal or informal meetings) and when necessary for the proper discharge of its duties.
- 6.2 When necessary, written resolutions are circulated to all Committee members for approval in between meetings.
- 6.3 Regular Committee meeting dates are advised to all Committee members at the end of previous year. For all other Committee meetings, reasonable notice of no less than two days shall be given.

7. MINUTES AND RECORDS

- 7.1 The Company Secretary or a duly appointed secretary of the meeting keeps minutes of formal Committee meetings. Any Committee member may inspect the minutes of the Committee meetings at any reasonable time on any reasonable notice.
- 7.2 Minutes of formal Committee meetings shall record in sufficient detail the matters considered by the Committee and decisions reached, including any concerns raised by Committee members or dissenting views.

- 7.3 Draft and final versions of minutes of the formal Committee meetings should be sent to all members for their comment and records respectively, within a reasonable time (normally within one week) after the meeting is held.

8. ADVICE

- 8.1 All Committee members can have access to the advice and services of the Company Secretary who is responsible to the Committee for ensuring that Committee procedures, and all applicable rules and regulations, are followed.
- 8.2 Committee members may upon reasonable request to the Chairman of the Committee, seek independent professional advice at the Company's expense to assist them to discharge their duties to the Company.
- 8.3 The Committee shall be provided with sufficient resources to discharge its duties.

9. DISCLOSURE

The Committee shall make available on the Company's website this set of Terms of Reference, and to explain the role of the Committee and the authority delegated to it by the Board.