

# THE HONGKONG AND SHANGHAI HOTELS, LIMITED

(the “Company”)

## FINANCE COMMITTEE

### TERMS OF REFERENCE

#### 1. CONSTITUTION

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

#### 2. PURPOSE

- 2.1 To assist the Board in conducting the day-to-day 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.

#### 3. RESPONSIBILITIES

- 3.1 The Committee shall have the authority to approve or endorse any recommendations made by the Group Management Committee of the Company on any of the matters in relation to the following in accordance with the powers granted to it under the Company Management Authority Manual (as amended from time to time) including but not limited to:-
  - (a) Reviewing acquisitions, investments and disposals of assets or new project commitments;
  - (b) establishment of budget parameters;
  - (c) establishment and amendment of annual corporate plan, capital budget, special project budget, operating budget, manpower budget and project development cost budget and such other budgets as required from time to time;
  - (d) approval of post implementation review of capital projects;

- (e) establishment of and request for drawing on corporate capital and operating contingencies within approved budgets;
- (f) issue and allotment of shares;
- (g) major treasury policies on long term financing and risk management and other treasury matters including investment of surplus funds, arrangement of financing and re-financing, hedging of currency/interest rate risks, funding cost management, foreign exchange, bank loans, and other banking activities;
- (h) granting of guarantees and indemnities; and
- (i) annual insurance program and acceptance of compensation or settlement as required under the Company Management Authority Manual.

3.2 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 with at least one non-executive director 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 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 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 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 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.

**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.