

# Remuneration Policy of The Shanghai Commercial & Savings Bank, Ltd.

Established by Human Resource Department

Established on 2011.04.22

Amended on 2014.03.15

Amended on 2022.03.26

Amended on 2023.03.23

Article 1 Based on the Corporate Governance Best Practice Principles for Banks, this policy is enacted to ensure compliance with the Bank's remuneration system, improve compensation competitiveness, and inspire employees to pursue excellence and work performance.

Article 2 The basic purpose of this policy is to establish a remuneration system that is externally competitive and internally fair and reasonable, in order to attract, motivate and retain outstanding talents, cultivate a performance-oriented corporate culture, and implement the Bank's business strategy goals.

Article 3 The Bank shall establish its "Remuneration Management Regulations" in accordance with the following principles:

- I. Remuneration shall be consistent with the Bank's business goals and strategies, and give full play to the motivation and guiding role of remuneration.
- II. Design an incentive and competitive remuneration system with reference to the external market, the industry standard, and consideration of remuneration levels in different regions in order to attract and retain outstanding talents.
- III. Regularly review, evaluate, and ensure the reasonableness and fairness of performance management and remuneration design.
- IV. Compliance with the Bank's regulations and policies.

Article 4 Executive Vice President and above must continue to hold the Bank's

stock within 3 years from the day they assumed the post for<sup>1</sup> not less than 300,000 shares - 1,000,000 shares<sup>2</sup> in principle.

Executive Vice President: 300,000 shares.

First Executive Vice President: 500,000 shares.

Senior Executive Vice President: 700,000 shares.

President: 1,000,000 shares.

Article 5 For the purpose of motivating the appointed managerial officers and sales personnel to achieve and exceed the established targets, create profits and to enhance the operation performance, the Bank's performance appraisal and remuneration systems shall be established by each unit with authority in accordance with the following principles:

- I. Consider reasonably the long-term stable performance of the appointed managers and sales personnel.
- II. Appraisal of appointed managers and sales personnel at least once a year.
- III. The determination of variable remuneration shall take into account the financial indicators and non-financial indicators.
- IV. Variable remuneration shall be paid after the completion of the appraisal.
- V. The remuneration to the general manager shall not be higher than 25 times of the average remuneration of employees and 30 times of the median remuneration of employees.

Article 6 Any matters not specified in this policy shall be handled in accordance with the relevant laws and regulations of the competent authority and the relevant regulations of the Bank.

Article 7 This Policy shall be implemented after being approved by the Board of Directors. The same procedure is applicable to any amendment thereto.

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<sup>1</sup> Including the shareholdings of the individual, spouse and minors and the total number of Securities Trust shares held by the aforementioned employees.

<sup>2</sup> The market value of the Bank's shares held by Executive Vice Presidents and above are twice their annual salaries. Stock market value is based on the closing price on the last business day of the previous year.