

If there is any discrepancy between the English text and the Chinese text in respect of these terms of reference, the Chinese text shall prevail.

LIAONING PORT CO., LTD.

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE OF THE BOARD

Chapter 1 General Principles

Article 1 In order to optimize the composition of the board of directors (the “**Board**”) of Liaoning Port Co., Ltd. (the “**Company**”), regulate the composition of the senior management of the Company, further establish a sound remuneration management system of the Directors and senior management, enhance the corporate governance structure of the Company, promote the standardized operation of the Company and improve its corporate governance, these terms of reference are formulated in accordance with the Company Law of the People’s Republic of China, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter collectively referred to as the “**Listing Rules**”), the Administrative Measures for Independent Directors of Listed Companies, the Code of Corporate Governance for Listed Companies, the Articles of Association of Liaoning Port Co., Ltd. (the “**Articles**”), as well as other laws, regulations and relevant regulatory documents.

Article 2 The Nomination and Remuneration Committee is a specialised committee subordinated and accountable to the Board. Its main responsibilities are to study the selection criteria and procedures of the Directors and managers, to conduct review and make recommendations of the candidates for Directors and managers, and to study the appraisal standards and remuneration policies of the Directors and managers.

Article 3 The Nomination and Remuneration Committee shall discharge its duties independently in accordance with the provisions of these Terms of Reference.

Chapter 2 Composition

Article 4 Members of the Nomination and Remuneration Committee shall be elected by the Board, comprising at least three (3) Directors, with more than one-half of them being Independent Non-executive Directors and Independent Non-executive Directors serving as chairman or convenor.

Article 5 The Nomination and Remuneration Committee shall have a chairman, who shall also be an Independent Non-executive Director, and is responsible for presiding over the work of the Committee. The chairman shall be elected by the Committee members and submitted to the Board for approval. The chairman of the Committee should attend the Company’s annual general meetings and respond to shareholders’ questions on the Committee’s activities.

Article 6 The term of office of the Committee members shall be concurrent with the term of their directorships and a Committee member may be eligible for re-election upon expiry of his/her term. A Committee member shall be automatically disqualified if he/she ceases to be a Director of the Company during his/her term of office and the Board is required to appoint an appropriate person as a member of the Nomination and Remuneration Committee within three months in order to comply with the relevant requirements of the Listing Rules. If the resignation of a member will result in the proportion of independent Directors on the Committee not complying with the requirements of these Terms of Reference or the Articles, the independent Director who intends to resign shall continue to perform his/her duties until the date on which a new independent Director is appointed.

Article 7 The secretary to the Board of the Company shall be the secretary of the Nomination and Remuneration Committee, who shall be responsible for the day-to-day work liaison and organization of Committee meetings.

Chapter 3 Scope of Authority

Article 8 The main duties of the Nomination and Remuneration Committee shall include:

1. To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, study the selection standards and procedures of the Directors, general manager and other senior management and make recommendations on any proposed changes to the Board.
2. To identify individuals suitably qualified to become Directors and select and nominate such individuals for directorships and to examine the qualifications of the nominees and form a clear opinion on such examination. To be responsible for establishing the criteria and procedures for the selection of nominated Directors and senior management, selecting and examining candidates for Directors and senior management and reviewing their qualifications for appointment, and making recommendations to the Board on the following matters:
 - (i) nomination or appointment or removal of a Director;
 - (ii) appointment or dismissal of senior management;
 - (iii) other matters as prescribed by laws, administrative regulations, the requirements of the CSRC and the Articles.
3. To assess the independence and performance of Independent Non-executive Directors.
4. To make recommendations to the Board on matters relating to the appointment, re-appointment and resignation of the Directors.

5. To review the Board's diversity policy (the "**Board Diversity Policy**", ① Purpose: This Policy aims to set out the approach to achieve diversity on the Board of the Company; ② Vision: The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance; and ③ Policy Statement: With a view to achieving a sustainable and balanced development, the Company considers increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered by the Company from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board; ④ Measurable Objectives: Selection of candidates of the Board members will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service and any other factors that the Board may consider relevant and applicable from time to time. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, having due regard to the benefits of diversity on the Board and also the needs of the Board without focusing on a single diversity aspect. The Board's composition will be disclosed in the corporate governance report of the Company annually in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; ⑤ Monitoring: The Nomination and Remuneration Committee of the Company is responsible for monitoring the achievement of the measurable objectives set out in this Policy. It will review the Board's composition at least once annually taking into account the benefits of all relevant diversity aspects and adhere to the Policy when making recommendation on any Board appointments; ⑥ Review of the Policy: The Nomination and Remuneration Committee will review the Policy, as appropriate, to ensure the effectiveness of the Policy. The Nomination and Remuneration Committee will discuss any revisions to the Policy that may be required, and recommend any such revisions to the Board for consideration and approval; ⑦ Disclosure of the Policy: The Policy will be published on the website of the Company for public information. A summary of the Policy together with the measurable objectives set for implementing the Policy, and the progress made towards achieving those objectives will be disclosed in the corporate governance report contained in the Company's annual report. The Board composition and the results of the review of the Board composition will also be disclosed in the corporate governance report."), and as appropriate, recommend any revisions of the Policy to the Board; review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and disclose the Board Diversity Policy or a summary of such Policy, the measurable objectives set for implementing the Policy, and the progress made towards achieving those objectives in the corporate governance report of the Company annually.
6. To determine the policy for nomination of directors, and disclose the policy in the Company's corporate governance report annually as appropriate. The nomination policy shall set out the nomination procedures and criteria to select and recommend candidates for directorship.

7. To make recommendations to the Board on the Company's remuneration policy and structure for all Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy.
8. To determine the remuneration package of all Executive Directors and senior management, including benefits-in-kind, pension rights and compensation for loss (including compensation for loss or termination of office or appointment), and make recommendations to the Board on the remuneration of the Non-executive Directors.

The factors to be considered by the Nomination and Remuneration Committee shall include the salaries paid by comparable companies, time commitment and responsibilities of Directors, employment criteria for other positions in the Group and whether the remuneration should be performance-related.

9. By reference to the targets of the Company passed by the Board from time to time, the Nomination and Remuneration Committee is responsible for formulating the performance assessment criteria for and conducting such assessment of the Directors and senior management, formulating and reviewing the remuneration policies and schemes for the Directors and senior management, and making recommendations to the Board in respect of the following matters: (i) remuneration of Directors and senior management; (ii) formulation or changes of the equity incentive plan and the employee stock ownership plan, and fulfilment of the conditions for the participants to be granted with entitlements and to exercise their entitlements; (iii) arrangement of the stock ownership plan for Directors and senior management in a subsidiary to be spun off; (iv) other matters prescribed by laws, administrative regulations, CSRC regulations and the Articles.
10. To review and approve the compensation payable to Executive Directors and senior management for any loss relating to the loss or termination or appointment of office to ensure that it is consistent with the contractual terms or is otherwise fair and reasonable without causing undue burden on the Company.
11. To review and approve the compensation arrangement relating to the dismissal or removal of Directors for misconduct to ensure that it is consistent with the contractual terms or is otherwise reasonable and appropriate.
12. To ensure that no Director or any of his associates is involved in deciding his own remuneration.
13. To decide the remuneration levels of senior management by way of fixed or quantifiable standards that will peg the remuneration levels of senior management against the Company's performance and shareholders' yields.
14. To reasonably select and review market data of other companies within the industry in assessing the remuneration levels and market competitiveness of senior management from the three aspects of basic salary, annual bonus and long-term incentive mechanism.

15. To make recommendations to the Board in respect of overall human resources structure, planning, remuneration regime and human resources system of the Company.
16. To review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
17. To make recommendation on other matters determined by the Board.

Article 9 The Nomination and Remuneration Committee shall be provided with sufficient background information and other supports relating thereto by management team of the Company.

Article 10 The Nomination and Remuneration Committee shall be accountable to the Board where any resolution submitted by the Committee shall be approved by the Board.

Chapter 4 Rules and procedures of proceedings

Article 11 The unit of the daily operations of the Nomination and Remuneration Committee shall be set up at the office of the Board. The secretary of the Committee shall be responsible for, in accordance with the requirements of the Nomination and Remuneration Committee, organizing the relevant functional departments of the Company to provide relevant information and other supporting documents required by the Nomination and Remuneration Committee to discharge its duties.

Article 12 Resolutions relating to the duties of the Nomination and Remuneration Committee submitted to the Board for consideration shall be first considered by the Committee. Professional issues relating to the duties of the Nomination and Remuneration Committee shall be studied and discussed by the Committee prior to submitting its professional opinions and recommendations on the resolutions to the Board as references for the Board's decision-making.

Article 13 Meetings of the Nomination and Remuneration Committee shall be held at least two times a year. The chairman or 2 members of the Committee may propose to hold an extraordinary meeting. Notices of regular and extraordinary meetings shall be given to all Committee members at least five days and three days respectively, in advance of the date of such meeting. In case of an emergency requiring an immediate meeting, notice of an extraordinary meeting may be given at any time with the consent of the chairman of the Committee. The Company will, in principle, provide relevant materials and information no later than three days prior to the convening of a meeting of the Committee, and relevant meeting materials will be kept for at least ten years. If two or more members consider that the meeting materials are incomplete, insufficiently argued or not provided in a timely manner, they may propose in writing to the Board to postpone the convening of the meeting or postpone the consideration of such matter.

A Committee meeting shall be presided over by the chairman. In the event that the chairman is unable to attend the meeting, a Committee member may be appointed by the chairman to preside over a Committee meeting.

Article 14 The quorum of a meeting of the Nomination and Remuneration Committee shall be more than two-thirds of the members of the Committee present at the meeting. Decisions of a Committee meeting shall be passed by more than one-half of all members of the Nomination and Remuneration Committee. Members shall attend the meetings of the Committee in person, and if they are unable to attend the meetings in person for any reason, they shall review the materials of the meeting in advance, form a clear opinion and appoint other members in writing to attend the meeting on their behalf in accordance with the relevant provisions. When directors notice

major matters of the listed company within the scope of the duties of the specialised committee during the performance of their duties, they may promptly submit such matters to the specialised committee for discussion and consideration in accordance with the procedures.

Article 15 Meetings of the Nomination and Remuneration Committee shall be held on-site in principle. On the premise of ensuring that all participating Directors are able to fully communicate and express their views, if necessary, meetings may be convened by video, telephone or other means in accordance with the procedures. If a meeting is held by other means, the office of the Board of the Company shall be responsible for circulating the relevant written resolution to all members of the Committee who shall be given reasonable time for consideration. Having received the replies of affirmative opinion via mail or by other means, a resolution of the Nomination and Remuneration Committee shall be passed and recorded by the office of the Board.

If any Committee member requests for supplementary information or further explanations from the Company, the relevant department of the Company involved in the matter being resolved shall be responsible for supplying the supplementary materials and report to the Committee.

Article 16 The Board shall disclose, in the next annual report, its reasons for passing the resolution of any remuneration or fee arrangement which has been previously rejected by the Nomination and Remuneration Committee.

Article 17 If the Nomination and Remuneration Committee deems necessary, it may invite other directors, supervisors, senior management and members of relevant functional departments of the Company to attend the Committee meeting.

Article 18 The Nomination and Remuneration Committee may, if necessary, appoint intermediaries to provide professional opinions thereto at the expense of the Company.

Article 19 The procedures relating to the holding of, voting and passing of resolutions at the meetings of the Nomination and Remuneration Committee shall comply with the relevant laws and regulations, these Articles and the provisions of these Terms of Reference.

Article 20 The secretary of the Committee shall be responsible for the organization and minutes of the meetings of the Committee. The relevant functional departments of the Company shall be responsible for cooperating with the secretary of the Committee in performing various works specific to the meetings.

Article 21 Where a resolution involving a member of the Nomination and Remuneration Committee is discussed at a Committee meeting, such member shall be excused from the meeting. If the Committee meeting fails to form a quorum in view of members abstained, the resolution shall be submitted to the Board for review.

Article 22 Minutes of the meetings of the Nomination and Remuneration Committee shall be prepared in accordance with the regulations, and complete minutes of the meetings of the Committee shall be kept by the secretary of the Committee.

The initial draft of the minutes of a meeting of the Nomination and Remuneration Committee shall be sent to all members of the Committee within seven (7) days after the meeting for their comments and thereafter be finalized for record. The minutes of the meetings shall record only the speeches and opinions made at the meeting by the members of the Committee who shall not request for opinions which have not been expressed at the meeting be supplemented and recorded.

Article 23 The participants present at any meeting of the Committee shall have the obligation to keep confidential all matters discussed at such meeting and shall not disclose the information relating thereto without authorization.

Chapter 5 Miscellaneous

Article 24 These Terms of Reference shall be implemented from the date of approval of the Board.

Article 25 These Terms of Reference shall be subject to the interpretation of the Nomination and Remuneration Committee of the Board of the Company. Any matters not provided for under these Terms of Reference shall be handled in accordance with the provisions of relevant laws, regulations, regulatory provisions and the Articles.