Shanghai Electric Group Company Limited

Rules of Procedure for the Remuneration Committee of the Board

(Approved at the fourth meeting of the sixth session of the Board of the Company on 29 April 2026)

The remuneration committee of the board of directors (the "Board") of the Company (hereinafter referred to as the "Remuneration Committee") is mainly responsible for establishing a proper and transparent procedure for developing remuneration policies and structure for directors and senior management of the Company and making recommendations to the Board.

ARTICLE ONE MEMBER

Members of the Remuneration Committee shall be appointed by the Board.

The Remuneration Committee shall consist of no fewer than three directors. A majority of the members of the Remuneration Committee shall be independent non-executive directors.

The term of office of the members of the Remuneration Committee shall be the same as that of the Board. Upon the expiration of their term, the members may be re-elected for consecutive terms.

ARTICLE TWO CHAIRMAN

The chairman of the Remuneration Committee shall be appointed by the Board, and shall be an independent non-executive director.

ARTICLE THREE SECRETARY

The company secretary shall be the secretary of the Remuneration Committee.

In the absence of the secretary of the Remuneration Committee, the members present at the meeting of the Remuneration Committee shall elect another person as the secretary.

ARTICLE FOUR PROCEDURE OF MEETINGS AND QUORUM

Meetings of the Remuneration Committee shall be presided over by the chairman. If the chairman is unable to attend, he or she may appoint another member to preside over the meeting.

A meeting of the Remuneration Committee shall only be held if attended by not less than two-thirds of its members. Each member shall have one vote. Resolutions adopted at the meeting must be approved by a majority of all the members.

ARTICLE FIVE ATTENDANCE AT MEETINGS

The meetings of the Remuneration Committee shall be held on site in principle. On the premise of ensuring that all participating members can fully communicate and express their opinions, the meetings can be held by video, telephone or other means in accordance with procedures when necessary.

Members of the Remuneration Committee shall attend the meetings of the Remuneration Committee in person. If they are unable to attend in person for any reason, they shall review the meeting materials in advance, form clear opinions, and entrust other members in writing to attend on their behalf. Any member who entrusts another member to attend a meeting of the Remuneration Committee on his or her behalf shall comply with the restrictive provisions on proxy attendance set out in the Rules of Procedure for the Board of Directors.

ARTICLE SIX NOTICE OF MEETINGS

A meeting of the Remuneration Committee shall be convened by the chairman of the Remuneration Committee.

Unless otherwise agreed by all the members of the Remuneration Committee, the Company shall, in principle, provide relevant materials and information to all members of the Remuneration Committee no later than three days before the meeting of the Remuneration Committee.

The agenda and the notice of the meetings shall be prepared by the chairman of the Remuneration Committee.

ARTICLE SEVEN MINUTES OF MEETINGS AND RESOLUTIONS

The secretary of the Remuneration Committee in attendance at the meetings of the Remuneration Committee shall minute in sufficient detail the matters considered and the decisions reached at the meetings. The minutes shall also include any concerns raised by any member of the Remuneration Committee and/or dissenting views expressed. Members of the Remuneration Committee, the secretary of the Board, record keepers and other relevant personnel present at the meeting shall sign and confirm the meeting minutes.

The secretary of the Remuneration Committee shall ascertain, at the commencement of each meeting, whether there exists any conflicts of interest and minute them accordingly. The relevant member with a conflict of interest shall not be counted towards the quorum and he or she shall abstain from voting on any resolution of the Remuneration Committee in which he or she, or any of his or her associates has a material interest, unless the relevant member's interest in the transaction arises solely from assuming responsibilities or obligations for the Company or its subsidiaries, which falls within the exceptions stipulated in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The minutes of the Remuneration Committee meeting shall be distributed to all members of the Remuneration Committee for confirmation within seven days after the meeting. Upon being signed and verified, the meeting minutes shall be submitted to all members of the Board.

Minutes of the Remuneration Committee shall be kept by the secretary of the Remuneration Committee and shall be available for inspection by any member of the Remuneration Committee at any reasonable time on reasonable notice.

The proposals adopted at the Remuneration Committee meeting and the voting results shall be formulated into written resolutions, and the members present at the meeting shall sign such written resolutions. The resolution shall include:

(i) the date, venue and the name of the convener of the meeting;

(ii) the number of members should be present and the number of members actually present;

(iii) the content of the proposals deliberated and voted on at the meeting and the voting results;

(iv) other matters that shall be stated and recorded in the resolution.

ARTICLE EIGHT ANNUAL GENERAL MEETING

The chairman of the Remuneration Committee or his or her authorized representative shall attend the annual general meeting of the Company and be prepared to answer questions regarding the activities and responsibilities of the Remuneration Committee at such meeting.

ARTICLE NINE OTHER PROVISIONS GOVERNING THE MEETINGS AND PROCEDURES OF THE REMUNERATION COMMITTEE

Unless otherwise specified above, the provisions contained in the Articles of Association governing the meetings and procedures of the Board shall apply to the meetings and procedures of the Remuneration Committee.

ARTICLE TEN TERMS OF REFERENCE

The Remuneration Committee is responsible for formulating the performance assessment criteria for and conducting such assessment of the directors and senior management and formulating and reviewing the remuneration policies and schemes for the directors and the senior management. The duties of the Remuneration Committee are as follows:

(i) to make recommendations to the Board on the remuneration of the directors and the senior management, including:

1. to make recommendations to the Board on the Company's policy and structure for the remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing such policy;

2. to formulate the specific remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board on the remuneration of non-executive directors. The Remuneration Committee shall consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and whether any part of the remuneration package should be performance-related;

3. to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;

4. to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is formulated in accordance with relevant contractual terms and that such compensation is otherwise fair and reasonable, without imposing undue financial burden on the Company;

5. to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are formulated in accordance with relevant contractual terms and are otherwise reasonable and appropriate;

6. to ensure that no director or any of his or her associates is involved in deciding his or her own remuneration;

7. to advise shareholders on how to vote in respect of any director's service contract that is for a term exceeding three years, or any director's contract that requires the Company to give not less than one year's prior notice or to pay compensation of not less than one year's remuneration upon termination of such contract;

(ii) to make recommendations to the Board on the formulation or modification of the share incentive scheme, the employee share ownership plan, the grant of interests to the participants and the fulfillment of exercise conditions;

(iii) to make recommendations to the Board on the arrangement of the stock ownership plan of the directors and senior management in the proposed spin-off of subsidiary;

(iv) other matters stipulated in laws, administrative regulations, regulations of the securities regulatory authorities in the place where the Company's shares are listed, business rules of the stock exchange and the Articles of Association.

ARTICLE ELEVEN REPORTING RESPONSIBILITIES

The Remuneration Committee shall disclose its responsibilities and work performed during the year, including formulating the policy for the remuneration of executive directors, assessing performance of executive directors and approving executive directors' service contracts, in the Company's Corporate Governance Report.

The Remuneration Committee shall report to the Board on its decisions or recommendations, unless restricted by law or regulatory requirements.

ARTICLE TWELVE OTHERS

The Remuneration Committee shall consult the chairman of the Board and/or the chief executive officer about the proposals relating to the remuneration of executive directors and shall have access to professional advice if considered necessary.

The Company shall provide the Remuneration Committee with sufficient resources to discharge its duties.

All members of the Remuneration Committee shall have access to the advice and services of the secretary of the Remuneration Committee with a view to ensuring that procedures of the Remuneration Committee and all applicable rules and regulations are followed.

In the event that the Remuneration Committee or any member of the Remuneration Committee requires access to outside independent professional advice in connection with its/his/her duties, a request may be made to the Board through the secretary of the Remuneration Committee. All such requests shall be processed in accordance with the Company's established procedures for seeking independent professional advice at the Company's expense.

Every member of the Remuneration Committee shall ensure that he or she can give sufficient time and attention to his or her duty as a member of the Remuneration Committee. He or she shall also actively attend meetings and participate in the work and apply respective skills and expertise.

The Remuneration Committee is authorised by the Board to seek such relevant materials from the management of the Company as it may require to discharge its duties.

The Remuneration Committee and its members may communicate separately and independently with the senior management of the Company.

Members and relevant personnel attending the meetings of the Remuneration Committee shall be obligated to keep confidential all meeting materials and matters discussed at the meeting and shall not disclose relevant information without authorization.

ARTICLE THIRTEEN PUBLICATION OF THE RULES OF PROCEDURE OF THE REMUNERATION COMMITTEE

The rules of procedure of the Remuneration Committee will be made available on request by the shareholders of the Company and will also be published on the website of the stock exchange where the shares of the Company are listed and the website of the Company.

The rules of procedure of the Remuneration Committee shall take effect from the date of approval by the Board, and the same shall apply when revised.

The rules of procedure of the Remuneration Committee shall be interpreted by the Board.

The English translation of this document is for reference only. In case of any discrepancy between the Chinese version and the English translation, the Chinese version shall prevail.