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Sinopec Shanghai Petrochemical Company Limited
Rules of Procedure of the Remuneration and Appraisal Committee of the Board

Considered and approved at the Sixth Meeting of the Fifth Session of the Board on 7 December 2005
First Amendment at the Fifth Meeting of the Seventh Session of the Board on 29 March 2012
Second Amendment at the Twenty-Sixth Meeting of the Tenth Session of the Board on 18 January 2023
Third Amendment at the Twentieth Meeting of the Eleventh Session of the Board on 22 October 2025

Chapter 1: General Provisions

Article 1: In order to improve the governance structure of Sinopec Shanghai Petrochemical Company Limited (the "**Company**"), it has established the remuneration and appraisal committee (the "**Remuneration and Appraisal Committee**") under the board of directors (the "**Board**") and developed these Rules of Procedure pursuant to the relevant provisions of the *Company Law of the People's Republic of China,* the *Code of Corporate Governance for Listed Companies in China* issued by the China Securities Regulatory Commission, the *Listing Rules Governing the Listing of Shares on the Shanghai Stock Exchange* and the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* issued by the stock exchanges where the shares of the Company are listed, other relevant laws, administrative regulations, departmental rules, normative documents and the securities regulatory rules of the places where the shares of the Company are listed (hereinafter referred to as the "**relevant regulatory rules**"), and *Articles of Association of Sinopec Shanghai Petrochemical Company Limited* (the "**Articles of Association**"), as well as the actual situation of the Company.

Article 2: The Remuneration and Appraisal Committee shall be a special committee under the Board. It is primarily responsible for determining and reviewing the Company's remuneration policies, such as remuneration determination mechanism, decision-making processes, payment and cessation of payment recourse arrangements for the directors and officers of the Company, setting appraisal standards for the directors and officers and conducting appraisals thereof, and considering, reviewing and/or proposing equity incentive schemes, share award or share option schemes and others.

Chapter 2: Composition

Article 3: The Remuneration and Appraisal Committee shall be composed of at least three directors, of which independent non-executive directors shall be in the majority.

Article 4: The members of the Remuneration and Appraisal Committee (the "**Members**") shall be nominated by the chairman, by more than half of the independent non-executive directors or by more than one-third of all the directors, and be elected by the Board.

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Article 5: The Remuneration and Appraisal Committee shall have a chairperson (convener), who shall be in charge of the work of the Remuneration and Appraisal Committee. The chairperson shall be an independent non-executive director of the Company, and nominated among the Members by the chairman of the Board and elected by the Board.

Article 6: The term of office of the Members of the Remuneration and Appraisal Committee shall correspond with the term of office of the Board. Upon expiration of the term of office, a Member may serve another term of office. If a Member no longer takes up the directorship of the Company during his term of office, he shall automatically be disqualified as a Member and the Board shall appoint a replacement pursuant to the provisions hereof.

Article 7: An office shall be established under the Remuneration and Appraisal Committee and within the Human Resources Department of the Company. The head of the Human Resources Department shall concurrently serve as the office administrator and shall be primarily responsible for the day-to-day liaison work, the arrangement of meetings, the execution of the relevant resolutions made at such meetings, etc.

Article 8: No Members of the Remuneration and Appraisal Committee may receive, directly or indirectly, any counseling fees, consultant fees or other rewards other than director's remuneration from the Company.

Chapter 3: Duties and Powers

Article 9: The major duties and powers of the Remuneration and Appraisal Committee:

(1) to formulate a remuneration policy and an implementation scheme (which primarily comprise performance appraisal standards and procedures, a main evaluation mechanism, award and penalty regimes and standards, etc.) according to the main terms of reference, duties and significance of the management positions of the directors and officers, as well as on the basis of the pay levels for the relevant positions at other relevant companies;

(2) to review and approve the remuneration proposals for the management with reference to the Company's business goals and objectives set by the Board;

(3) to set appraisal standards for the directors and officers, to review the performance of duties by the directors and officers of the Company and to conduct annual performance appraisals thereof;

(4) to review and approve compensation payable to executive directors and officers of the Company for any loss or termination of office, or compensation arrangements in connection with the dismissal or removal of directors of the Company for misconduct to ensure that such compensation or compensation arrangements are consistent with contractual terms or are otherwise fair and not excessive;

(5) to research, review, draft and/or change the share option scheme for employees, share incentive plan or matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, make recommendations to the Board on issues such as the granting of equity to incentive recipients and the fulfillment of conditions for the exercise of equity;

(6) to research, review, draft and/or change the stock ownership plans of directors or officers in the relevant subsidiary to be spun off and make recommendations to the Board;

(7) to perform other duties and powers as assigned by the Board;

(8) to perform other duties as stipulated in relevant regulatory rules and the Articles of Association.

In the performance of its duties and powers, the Remuneration and Appraisal Committee shall ensure that no director or any of his/her directly interested parties thereof is involved in deciding his/her own remuneration.

Article 10: The major duties of the Remuneration and Appraisal Committee:

(1) to convene and chair Remuneration and Appraisal Committee meetings;

(2) to preside the daily work of the Remuneration and Appraisal Committee to ensure that the Remuneration and Appraisal Committee functions effectively and performs its duties;

(3) to review, approve and sign the reports and other important documents of the Remuneration and Appraisal Committee;

(4) to organize and inspect the implementation of resolutions and recommendations made by the Remuneration and Appraisal Committee;

(5) to report work to the Board on behalf of the Remuneration and Appraisal Committee;

(6) to perform other duties as assigned by the Board of the Company.

When the chairperson of the Remuneration and Appraisal Committee is unable to perform his duties due to any reasons, he shall designate a Member (an independent non-executive director) to perform his duties and powers on his behalf.

Article 11: The Remuneration and Appraisal Committee shall be accountable to the Board and shall report to the Board on its work on a regular basis. The resolutions made by the Remuneration and Appraisal Committee shall be submitted to the Board for consideration; the remuneration packages for the directors of the Company proposed by the Remuneration and Appraisal Committee may be implemented only after the same are submitted to the Board for approval and submitted to a general meeting for consideration and approval; and the remuneration packages for the officers of the Company proposed by the Remuneration and Appraisal Committee shall be submitted to the Board for approval.

Article 12: The Board shall have the right to veto any remuneration policy or package that jeopardizes the interests of the Company's shareholders.

Chapter 4: Work Procedures and Performance Guarantee

Article 13: The office of the Remuneration and Appraisal Committee shall be responsible for preliminary preparations for the Remuneration and Appraisal Committee's discussions and providing the Remuneration and Appraisal Committee with information on areas that include (but are not limited to):

(1) the major financial indicators for and progress made against the operation objectives set by the Company;

(2) the division of scope of work and major duties of the directors and officers;

(3) the indicators achieved in connection with the performance appraisal policy for the directors and officers;

(4) estimates of the performance of the Company used as the basis of drafting the remuneration policy and distribution scheme;

(5) other relevant information as deemed necessary by the Remuneration and Appraisal Committee.

Article 14: The Remuneration and Appraisal Committee shall conduct an appraisal of the directors and officers of the Company. The appraisal procedures are as follows:

(1) the directors and officers submit a written work activity report;

(2) the Remuneration and Appraisal Committee evaluates the performance of the directors and officers according to the performance appraisal standards and procedures;

(3) the amount of compensation and the method of awarding for the directors and officers based on the results of performance appraisals and the remuneration policy are submitted to the Board for consideration after the same are approved by the Remuneration and Appraisal Committee through voting.

Article 15: The Remuneration and Appraisal Committee's funds shall be covered by the budget of the Company. If necessary, the Remuneration and Appraisal Committee may engage an expert or an intermediary to provide professional advice on its decision-making at the expense of the Company.

Chapter 5: Rules of Procedure

Article 16: The Remuneration and Appraisal Committee shall convene at least one meeting a year and may convene extraordinary meetings as required. If, in the course of performing his or her duties, an independent director identifies any material matter of the Company which falls within the scope of duties of the Remuneration and Appraisal Committee, he or she may promptly request the Remuneration and Appraisal Committee to conduct discussion and deliberation under the relevant procedures.

Article 17: When the Remuneration and Appraisal Committee holds a meeting, the chairperson of the Remuneration and Appraisal Committee shall convene the meeting and issue the meeting notice, and shall notify Members of the Remuneration and Appraisal Committee of the meeting notice and the major matters to be discussed at the meeting no later than 3 days prior to the meeting.

Meetings shall be chaired by the chairperson of the Remuneration and Appraisal Committee. If the chairperson is unable to attend a meeting, he may appoint another Member (an independent non-executive director) to chair the meeting in his place.

Article 18: In principle, the Remuneration and Appraisal Committee shall convene in-person meetings. On the premise that all Members attending the meeting can fully communicate with each other and express their opinions, the meeting may be convened by video, telephone, or written resolution and other means under the relevant procedures, if necessary.

Voting shall be made by a show of hands or by ballot at Remuneration and Appraisal Committee meetings.

Article 19: The Remuneration and Appraisal Committee shall convene a meeting only when more than two-thirds of the Members are present thereat; each Member shall have one vote; any resolutions proposed at a meeting shall be passed by a majority of all Members.

Article 20: When the Remuneration and Appraisal Committee meeting evaluates a Member of the Committee or discusses issues such as its remuneration, such Member shall abstain from the meeting.

The minutes and the resolutions of the Remuneration and Appraisal Committee meeting shall set out the circumstances under which the interested Member shall abstain from the meeting.

Article 21: The Members of the Remuneration and Appraisal Committee shall attend the meetings and give their express opinions on the matters being deliberated at the meetings in person. Where a Member is unable to attend a meeting in person for whatever reason, such Member should review the meeting materials in advance, form specific opinions, submit a power of attorney signed by him/her, and entrust another Member to attend such meeting on his/her behalf. If an independent director Member is unable to attend a meeting of the Remuneration and Appraisal Committee in person for whatever reason, such Member shall entrust another independent director Member to attend the meeting on his or her behalf in accordance with the foregoing provisions. The power of attorney shall indicate the scope and duration of the delegation. Each Member may accept the delegation by no more than one Member.

Article 22: Any Member of the Remuneration and Appraisal Committee who shall cease his/her duty or shall be dismissed according to the relevant regulatory rules, but have not done so, or have not been, his/her participation and voting at any Remuneration and Appraisal Committee meeting shall be invalid and not counted towards the attendance.

Article 23: The Remuneration and Appraisal Committee may invite the head of the Human Resources Department of the Company to attend a meeting as a non-voting attendee and may, if necessary, invite the directors and officers of the Company and relevant professionals to attend a meeting as non-voting attendees.

Article 24: The meeting of the Remuneration and Appraisal Committee shall have minutes and resolutions, which shall set out the opinions of the independent director Members. Members present at the meeting shall sign the minutes and resolutions of the meeting.

Draft and final versions of the minutes of a meeting shall be sent to all Members of the Remuneration and Appraisal Committee within a reasonable time after each meeting is held. The draft version shall be made available for the Members to express their opinions while the final version shall be used for record-keeping purposes.

The minutes, resolutions, and all meeting materials shall be kept by the office of the secretary to the Board for a period of at least ten years.

Article 25: Resolutions passed at a meeting of the Remuneration and Appraisal Committee and the voting results thereat shall be reported in writing to the Board of the Company.

Article 26: In addition to reporting to the Board pursuant to the requirements hereof, the Members present at a meeting and the persons who attend the meeting as non-voting attendees shall be obliged to maintain confidentiality towards the matters discussed thereat. No such Members or persons may disclose the relevant information without authorization.

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Chapter 6: Supplementary Provisions

Article 27: Unless otherwise specified, the terms used herein shall have the same meanings as ascribed to them in the Articles of Association.

Article 28: The formulation and amendment of these Rules of Procedure will take effect after being approved by the Board.

Article 29: Matters not covered by these Rules of Procedure or in case of any conflict with the provisions of the relevant regulatory rules or the Articles of Association, such provisions of the relevant regulatory rules or the Articles of Association shall prevail.

Article 30: These Rules of Procedure shall be interpreted by the Board.