



中國海外發展有限公司
CHINA OVERSEAS LAND & INVESTMENT LTD.
(incorporated in Hong Kong with limited liability)
(Stock Code: 688)

REMUNERATION COMMITTEE

(established on 30 June 2005)

TERMS OF REFERENCE

Constitution

1. The board of directors of the Company (the "**Board**") has resolved to establish a Committee of the Board to be known as the Remuneration Committee (the "**Committee**").

Membership and Quorum

2. The Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members, a majority of whom should be independent non-executive directors of the Company. A quorum shall be two members.
3. The chairman of the Committee shall be appointed by the Board who should be an independent non-executive director of the Company.

Secretary

4. The company secretary of the Company shall be the secretary of the Committee (the "**Secretary**").

Frequency of meetings

5. Meetings shall be held not less than once a year.

Notice of meetings

6. Notice of meetings shall be given to all members of the Committee at least 7 days before the meeting.

Casting vote

7. In the case of an equality of votes, the chairman of the Committee shall have the casting vote.

Consultation

8. The Committee should consult the chairman and/or chief executive of the Company about their remuneration proposals for other executive directors of the Company.

Performance of Duties

9. The Company should provide the Committee sufficient resources to perform its duties. The budget of such resources should be controlled and approved by the Board. Any additional resources which are not budgeted should be subject to further approval by the Board. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

Duties

10. The duties of the Committee shall include:
 - (a) to make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
 - (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
 - (c) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
 - (d) to make recommendations to the Board on the remuneration of non- executive directors;
 - (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
 - (f) to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
 - (g) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
 - (h) to ensure that no director or any of his/her associates is involved in deciding

his/her own remuneration and that, as regards the remuneration of a non-executive director who is a member of the Committee, his/her remuneration should be determined by the other members of the Committee.

In this paragraph 10, "**senior management**" refers to the same persons referred to in the Company's annual report and required to be disclosed under Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reporting procedures

11. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.