

**CHINA OVERSEAS GRAND OCEANS GROUP LIMITED**  
(the “Company”)

**REMUNERATION COMMITTEE**  
**TERMS OF REFERENCE**

**Membership and Proceedings of Meetings**

1. The Remuneration Committee (the “Committee”) shall consist of not less than three members appointed by the board of directors of the Company (the “Board”), and a majority of whom shall be independent non-executive directors under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).
2. The quorum for a meeting shall be two members and one of them must be independent non-executive director.
3. The Board shall appoint the chairman of the Committee who shall be an independent non-executive director. In the absence of the chairman, the remaining members present shall elect one of themselves (who must be an independent non-executive director) to chair the meeting.
4. The Committee shall meet at least annually. Additional meetings should be held as the work of the Committee demands. In addition, the chairman of the Committee may convene additional meetings at his/her discretion.
5. The Committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants to advise its members.
6. Proceedings of meetings of the Committee shall be governed by the relevant provisions of the Articles of Association of the Company.
7. Full minutes of remuneration committee meetings should be kept by a duly authorised secretary of the meeting (who should normally be the company secretary). Draft and final versions of minutes of the meetings should be sent to all Committee members for their comment and records respectively within a reasonable time after the meeting.

## **Duties, Powers and Functions**

### **8. The Committee shall:**

- (a) 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) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) 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) make recommendations to the Board on the remuneration of non-executive directors;
- (e) consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the group;
- (f) 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) 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;
- (h) 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;
- (i) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules;

- (j) engage such external professional advisors to assist and/or advise the Committee on issues as it considers necessary;
- (k) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- (l) conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Articles of Association of the Company or imposed by legislation.

For the purpose of this paragraph 8, “senior management” shall refer to the same category of persons as referred to in the Company’s annual report and is required to be disclosed under Appendix 16 to the Listing Rules.

9. The Committee shall be provided with sufficient resources to perform its duties.

### **Reporting Procedures**

10. The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report the findings and recommendations of the Committee to the Board.