QINGDAO PORT INTERNATIONAL CO., LTD.
TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE OF THE BOARD OF DIRECTORS

Chapter 1 General Provisions

Article 1 In order to enhance the remuneration management system and improve assessment and evaluation systems of Qingdao Port International Co., Ltd. (the "Company"), the Remuneration Committee under the board of directors has been established and these Terms of Reference have been formulated in accordance with the relevant laws, regulations and regulatory documents such as the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and other regulatory documents as well as the requirements under the Articles of Association of Qingdao Port International Co., Ltd. (the "Articles of Association") and the rules of procedures for the board of Qingdao Port International Co., Ltd. (the "Rules of Procedures for the Board").

Article 2 The Remuneration Committee is a special committee under the board of directors and its principal duties include:

(1) to make recommendations to the board of directors on the remuneration packages of the Company's directors and senior management of the Company;

(2) to make recommendations to the board of directors 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;

(3) to make recommendations to the board of directors regarding the adoption of share option schemes and any other incentive plans, if any, and the grant of options under, and the administration of, such schemes or plans.

Article 3 The Remuneration Committee shall be accountable to and report to the board of directors.

Chapter 2 Composition

Article 4 The Remuneration Committee shall consist of at least three directors, the majority of which shall be independent directors. The members of the Remuneration Committee shall be in compliance with the qualifications to the members of the Remuneration Committee stipulated by the PRC laws, regulations and the listing rules of the places where the shares of the Company are listed.

Article 5 Members of the Remuneration Committee shall be nominated by the chairman of the board of directors, no less than half of all independent directors or no less than one-third of all directors and shall be elected by the board of directors.

The election and removal of the chairman of the Remuneration Committee shall be decided by the board of directors.

Article 6 The Remuneration Committee shall have one chairman, who shall be served by an independent director in charge of the committee's work. A meeting shall be convened and presided over by the chairman of the Remuneration Committee. Where the chairman fails to perform his/her duties, an independent director member who is a member of the Remuneration Committee may be appointed to perform his/her duties on his/her behalf.

Article 7 The Remuneration Committee shall have the same term of office as the board of directors. A member of the Remuneration Committee may serve consecutive terms if re- elected upon the expiration of his/her term. If any member ceases to hold office as a director of the Company during the term, such director shall lose his/her position as a member of the Remuneration Committee accordingly. A member of the Remuneration Committee may submit resignation to the board of directors prior to the expiry of his/her term of office. Such resignation shall specify the reasons for the resignation and any matters which would require the attention of the board of directors. Changes to the members of the Committee may be made during their terms of office as and when proposed by the chairman of the board of directors and approved by the board of directors after their discussion.

Article 8 Where a member of the Remuneration Committee fails to meet the provisions of Articles 4 and Article 6 herein, the board of directors shall by means of announcement immediately give the details and reasons of such failure according to the requirements of the securities regulatory authorities at the places where the Company's shares are listed, and shall elect a new member in accordance with the provisions of Articles 4 to 6 herein to fill the vacancy within three months from the date of failing to meet those requirements. The term of office of the new member so elected shall terminate upon the expiry of such member's term of office as a director of the Company.

Chapter 3 Principal Duties

Article 9 The principal duties of the Remuneration Committee shall include:

(1) to make recommendations to the board of directors 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;

(2) to make recommendations to the board of directors on the remuneration packages of individual executive directors and senior management, including fees, salaries, allowances and benefits in kind, pension scheme contributions, and any compensation payable for loss or termination of their office or appointment;

(3) to make recommendations to the board of directors on the remuneration of the non- executive directors (including the independent directors);

(4) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions of the Company and its subsidiaries. The Remuneration Committee shall also ensure that the levels of remuneration should be sufficient to attract and retain the directors to run the Company successfully but should avoid paying more than is necessary for this purpose;

(5) to review and approve the management's remuneration proposals with reference to the corporate goals and objectives determined by the board of directors;

(6) 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;

(7) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure they are consistent with contractual terms and are otherwise reasonable and appropriate;

(8) to advise shareholders of the Company on how to vote in respect of any service contract of directors that requires shareholders' approval in accordance with the listing rules of the places where the shares of the Company are listed;

(9) in determining the above remuneration policies, packages and arrangements, to give due regard to all applicable laws and regulations (including but not limited to the Articles of Association and the listing rules of the places where the shares of the Company are listed);

(10) to ensure that no director or any of his/her associates (as defined in the listing rules of the places where the shares of the Company are listed) is involved in deciding his/her own remuneration;

(11) to review the performance of their duties for directors and senior management of the Company and conduct annual performance appraisal for them;

(12) to ensure that the provisions regarding disclosure of remuneration of directors and senior management and information relating to the Remuneration Committee as set out in the listing rules of the places where the shares of the Company are listed;

(13) to review and/or approve matters relating to share schemes mentioned in the Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

(14) other matters authorized by the board of directors of the Company.

Article 10 The Remuneration Committee shall offer recommendations on the following matters to the board of directors:

(1) the remunerations of directors and senior management;

(2) the formulation or modification of the equity incentive plan or employee share ownership plan, and granting option to the incentive participants or the conditions for the fulfillment of exercising option;

(3) the share ownership plan made by directors or senior management in the subsidiary to be spun off;

(4) other matters provided by laws, administrative regulations, rules of the China Securities Regulatory Commission and the Articles of Association.

If the board of directors does not adopt or not fully adopt the recommendations of the Remuneration Committee, it shall record the opinions of the Remuneration Committee and the specific reasons for its non-adoption in the resolution of the board of directors and disclose thereof.

Article 11 Major duties and authorities of the chairman of the Remuneration Committee shall include:

(1) to preside over the meetings of the Remuneration Committee;

(2) to propose the convening of extraordinary meetings of the Remuneration Committee;

(3) to play a leading role in the Remuneration Committee to ensure an efficient operation of the Remuneration Committee and fulfillment of its duties;

(4) to ensure every proposal discussed by the Remuneration Committee reaches a clear and definitive conclusion, including whether the proposal is passed, not passed, or to be further discussed after supplemental materials are provided;

(5) to determine the agenda of each Remuneration Committee meeting;

(6) to ensure that all members present at the Remuneration Committee meeting know clearly about the matters to be discussed at the meeting and have access to the complete and reliable information;

(7) other duties and authorities specified in these Terms of Reference.

Article 12 Major duties and authorities of the members of the Remuneration Committee shall include:

(1) to attend the meetings of the Remuneration Committee on time, express their views on the subject matters under discussion and exercise voting rights at the meetings;

(2) to propose matters for discussion at the meetings of the Remuneration Committee;

(3) to attend relevant meetings of the Company as non-voting delegates or visitors, to conduct surveys and researches to collect reports, documents, materials and other relevant information for the purpose of discharging their responsibilities;

(4) to fully understand the duties and responsibilities of the Remuneration Committee and those of himself/herself as a member of the Committee, to acquaint themselves with relevant information on the operation and

management, business activities and development of the Company to ensure his/her capacity for discharging duties and responsibilities;

(5) to fully ensure that each member has sufficient working hours and energy to fulfill his/her duties and responsibilities;

(6) other duties and authorities as specified in these Terms of Reference.

Article 13 The remuneration packages for the directors of the Company proposed by the Remuneration Committee shall be approved by the board of directors and then submitted to the meetings of shareholders for consideration and approval before implementation. The remuneration packages of the senior management shall be submitted to the board of directors for approval.

Article 14 The remuneration packages proposed by the Remuneration Committee shall not prejudice the interests of shareholders and shall comply with the relevant laws and regulations.

Article 15 The Remuneration Committee shall report the proposals passed by them to the board of directors, unless the reporting of which is in conflict with the general duties and responsibilities of the Remuneration Committee, or could not be reported subject to the restriction of laws, regulations or regulatory requirements.

Chapter 4 Working System

Article 16 The department in charge of securities affairs of the Company is responsible for submission of the meeting materials, meeting preparation, resolutions implementation supervision and feedback, and shall act as the point of contact and coordination between the Remuneration Committee and relevant departments of the Company which shall cooperate accordingly in this regard.

Article 17 In principle, the Remuneration Committee shall give a notice to all members three days prior to the meetings.

An extraordinary meeting shall be convened by the chairman of the Remuneration Committee within five days from the date of the occurrence of the following facts:

(1) proposed by the board of directors;

(2) proposed by the chairman of the Remuneration Committee;

(3) proposed by no less than half of the members of the Remuneration Committee.

The department in charge of securities affairs of the Company shall dispatch the meeting notice and the relevant meeting materials to all the members of the Remuneration Committee three days prior to the extraordinary meetings according to the instructions of the chairman of the Remuneration Committee in principle. The above-mentioned meeting materials shall be kept by the Company for at least ten years.

Article 18 Prior notice shall be given to all members and other persons attending the meeting. Contents of the notice shall generally include:

(1) the date and venue of the meeting;

(2) the duration of the meeting;

(3) the subject and agenda of the meeting;

(4) the issuance date of the notice.

Where meeting materials are dispatched later than the delivery of the notice, the Company shall provide sufficient time for the members to study the relevant materials.

Article 19 Meetings may be held by way of onsite meetings or written resolutions. Telephone conference or video conference systems may be provided for convenience of the members to attend onsite meetings. Members attending the meetings by such means shall be deemed to be present at the meeting.

Article 20 The quorum of a meeting shall be more than two thirds of all members. Members shall attend the meeting in person. Where a member is unable to attend a meeting for any reason, he/she may appoint another member by a written power of attorney to attend the meeting on his/her behalf. The power of attorney shall set out the name of the proxy, the subject matters of representation, the scope of authorization and the valid period, with the signature or seal of the appointer or the proxy. A member shall be appointed by no more than one member. Independent director member who is unable to attend the meeting in person for any reason shall review the meeting materials in advance, form specific opinions, and appoint another independent director member to attend the meeting on his/her behalf.

Members attending the meeting as proxy for others shall submit the written power of attorney before the meeting and exercise their rights within the scope of authorization. Where a member appoints another member to attend the meeting on his/her behalf, the legal responsibility of the decision made by the appointee within the scope of authorization shall be borne by the appointer independently.

Article 21 Members of the Remuneration Committee who have interests in the subject matters of the meeting shall abstain from voting on such matters. Related matters which cannot form an effective consideration as a result of the abstaining of the members shall be directly considered by the board of directors.

Article 22 Voting in a meeting of the Remuneration Committee may be taken by a show of hands or open ballot. Each membershall have one vote. Where members cannot sign on the resolutions promptly at a telephone conference or video conference, they may give a voice vote and then sign a written vote as soon as possible provided that the content of the subsequent written vote must be identical to that of the voice vote given at the meeting. A resolution of the meeting must be passed by more than half of all members.

Article 23 If the Remuneration Committee deems necessary, it may invite directors, relevant senior management and relevant heads of departments of the Company who are not members of the Remuneration Committee to attend the meeting. Prior approval of the chairman of the Remuneration Committee shall be obtained for the list of such attendees.

Article 24 Where the Remuneration Committee evaluate any director or senior management or discuss the remuneration of such person, he/she and any of his/her connected persons shall abstain from the meeting in respect thereof.

Article 25 A member of the Remuneration Committee in any of the following circumstances shall make disclosure to the Remuneration Committee in advance and apply for abstain from discussion, other members may also require him to abstain:

(1) where the Remuneration Committee is in the process of evaluating such member or discussing his/her remuneration;

(2) where the Remuneration Committee is in the process of evaluating any associates (as defined in the listing rules of the places where the shares of the Company are listed) of such member or discussing the remuneration of such associate;

(3) other circumstances that may prevent such member from making an objective and fair judgment.

Article 26 Any disagreement as to whether a member shall abstain from the meeting shall be resolved by a resolution passed by the majority of the members attending the relevant meeting excluding the member concerned.

Article 27 The member who shall abstain from the meeting shall neither participate in the discussion nor vote on the resolution the meeting which he/she shall be abstained from, by leaving the place of meeting temporarily or take other means tones or her end.

Article 28 In the event that the Remuneration Committee is unable to pass a resolution on matters to be considered due to the abstain of any member(s), it shall pass a resolution to submit a resolution to the board of directors for consideration and deliver it promptly to the board of directors for review. The Remuneration Committee shall provide the results of its review on such matters in the resolution to be submitted to the board of directors and shall state the opinions of the members who have not abstained from voting on such matters.

Article 29 The Remuneration committee shall keep full records for the minutes of the meeting which shall be signed by members present at the meetings and the recorder. The opinions of independent director members shall be written in the meeting records, which shall be signed and confirmed by independent director members. Such records shall set down details of the subject matters and resolutions of the meeting, including any concerns and dissenting opinions expressed by each member. The first draft of the records shall be delivered to all members for review within five business days after the meeting. Members who request to make supplementary amendments to the

records shall provide their comments in writing within three business days upon receipt of the records.

The final draft of the meeting records signed by all members attending the meeting shall be kept as permanent company archives in accordance with the archive management system of the Company.

The above-mentioned records shall be made available for inspection within reasonable time by any director who has given reasonable notice.

Article 30 Members of the Remuneration Committee and other persons attending the meetingshall keep confidential all matters discussed at the meetings. Unauthorized disclosure of relevant information is prohibited.

Article 31 The Remuneration Committee shall have sufficient resource to perform its duties.If necessary, the Remuneration Committee may request to engage external experts and intermediaries to provide independent professional advices on its decision- making and the reasonable expenses thereof shall be borne by the Company.

Article 32 The Remuneration Committee shall maintain regular communications with the board of directors and the senior management. The senior management shall be responsible for timely providing sufficient and proper information for the Remuneration Committee to make informed decisions. The Remuneration Committee and its members may make further enquiries and have separate and independent access to the senior management where necessary.

Article 33 Members of the Remuneration Committee will be deemed unable to perform his/her duties if they fail to attend, in person or by proxy, any meetings of the committee twice a year. The board of directors shall assess the performance of the Remuneration Committee regularly and make adjustment to the composition of the Remuneration Committee in accordance with these rules.

Article 34 The department in charge of securities affairs of the Company and relevant departments of the Company shall cooperate with the Remuneration Committee to carry out the work of the Remuneration Committee.

Chapter 5 Supplementary Provisions

Article 35 References to "no less than" and "at least" herein shall each include the said number whereas "more than half" shall not include the said number.

Article 36 Reference to the "connected" herein shall include the meanings of "connected" under the listing rules of the places where the shares of the Company are listed and "related" under the International Accounting Standards.

Article 37 For any matters that are not covered herein, or in the case of any contradictions between these Terms of Reference and the provisions of the relevant laws, regulations, rules, regulatory documents, the Articles of Association and the Rules of Procedures for the Board, the latter shall prevail.

Article 38 The right of interpretation of these Terms of Reference shall be vested in the board of directors of the Company.

Article 39 These Terms of Reference shall be implemented upon the date of being considered and approved by the board of directors.

These Terms of Reference are written in Chinese. If there is any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.