

COASTAL 沿海
COASTAL GREENLAND LIMITED
沿海綠色家園有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 01124)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

The board of directors (“Board”) of Coastal Greenland Limited (“Company”) adopted the following terms of reference of the Remuneration Committee on 23 December 2005.

1. Constitution

The Board hereby resolves to establish a committee of the Board to be known as the Remuneration Committee (“Committee”) with the membership, authority and duties described below.

2. Membership

- (a) The members of the Committee shall be appointed and removed by the Board and shall consist of a majority of independent non-executive directors.
- (b) The Chairman of the Committee shall be appointed and removed by the Board.

3. Attendance at Meetings

- (a) Other Board members and external advisers may be invited to attend meetings but only members of the Committee are entitled to vote at the Committee meetings.
- (b) The Company Secretary shall act as the secretary of the Committee.

4. Committee Meetings

4.1 Frequency

The Committee shall meet not less than once a year.

4.2 Quorum

The quorum necessary for the transaction of the business of the Committee shall be two members of the Committee and at least one shall be Independent Non-executive Director.

4.3 Notice & Agenda

4.3.1 Notice of any Committee Meeting shall be given at least three (3) days prior to any such meeting, unless all members of the Committee unanimously waive such notice. Irrespective of the length of notice being given, attendance of a Committee meeting by a member of the Committee shall be deemed waiver of the requisite length of notice by the member of the Committee.

4.3.2 Agenda of any Committee Meeting shall be sent to members of the Committee at least one (1) day before the meeting.

4.4 Resolutions & Minutes

4.4.1 Resolutions of the Committee shall be passed by a majority of votes of the Members of Committee present. Meetings can be held in person, by, by telephone or by video conference. A resolution in writing signed by all members of the Committee shall be as valid and effectual as if it has been passed at a Committee meeting duly convened and held.

4.4.2 The secretary of the Committee should keep full minutes of all Committee meetings. Draft and final versions of minutes of the Committee meetings shall be circulated to all members for their comment and records within reasonable time after the Committee meeting is held.

5. Authority

5.1 The Committee shall report directly to the Board and shall, where appropriate, consult the Chairman of the Company for any clarification on their proposal relating to remuneration of Executive Directors and senior management.

5.2 The Committee is authorised to seek outside independent professional advice at the Company's expense in accordance with the Board's approved policies on obtaining of professional advice.

5.3 The Committee shall be provided with sufficient resources to discharge its duties.

5.4 Any amendments to this Terms of Reference shall be approved by the Board.

6. Duties

6.1 The duties of the Committee shall be:

6.1.1 to make recommendations to the Board on the policy and structure of the Company for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;

- 6.1.2 to determine the specific remuneration packages of all Executive Directors and senior management, including salaries, bonuses, stock options, 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 of the remuneration of non-executive directors. The Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the group and desirability of performance-based remuneration;
 - 6.1.3 to review and approve performance based remuneration by reference to corporate goals and objectives resolved by the board from time to time;
 - 6.1.4 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 determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;
 - 6.1.5 to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
 - 6.1.6 to ensure that no director or any of his associates is involved in determining his own remuneration;
 - 6.1.7 when the occasion arises, to advise shareholders on how to vote with respect to any service contracts of directors that require shareholders' approval under the Listing Rules;
 - 6.1.8 to review from time to time these Terms of Reference and the effectiveness of the Committee and recommend to the Board any necessary changes.
- 6.2 The Committee should consult the Chairman of the Company about their proposal relating to the remuneration of other executive directors.

7. Reporting

- 7.1 The Committee shall report to the Board when appropriate but at least once a year.
- 7.2 The Committee shall report to the Board on its work, significant decisions, findings and recommendations.

* For identification purpose only