

MIRAMAR HOTEL & INVESTMENT CO., LTD.

Terms of Reference of the Remuneration Committee

(effective from 29 June 2005)

1. Constitution

The Board of Directors ("Board") of the Company has established the Remuneration Committee ("Committee") and adopted this set of Terms of Reference for the Committee.

2. Membership

- 2.1 The Chairman of the Committee shall be nominated by the Board. If at any meeting the Chairman of the Committee is not present, the members present shall elect one of themselves to chair the meeting.
- 2.2 Members of the Committee shall be appointed by the Board and the Board may, from time to time, at their discretion, revoke the appointment of any members thereof.
- 2.3 A majority of the members of the Committee should be independent non-executive directors of the Company.

3. Secretary

The Committee may from time to time appoint one of its members or the Company Secretary as the secretary of the Committee meeting.

4. Meetings

- 4.1 The Committee shall meet at least once a year.
- 4.2 The quorum necessary for the transaction of business of the Committee shall be two members of the Committee.
- 4.3 Any members of the Committee may participate in a meeting of the Committee by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other and such participation shall constitute

attendance at the meeting of the Committee as if such members was present in person.

5. Annual General Meeting

The Chairman of the Committee (or one of its members) shall attend the Company's Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

6. Minutes and Records

6.1 The secretary of the meeting keeps minutes of the Committee meetings and such minutes should be open for directors' inspection. Draft and final versions of minutes of the Committee meetings should be sent to all members for their comment and records respectively.

6.2 The secretary of the meeting shall circulate the final versions of the minutes of meetings of the Committee to all members of the Board.

7. Reporting procedures

7.1 The Committee shall report to the Board after each meeting.

7.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit.

8. Authority

8.1 The Committee shall consult the Chairman of the Board and/or Chief Executive Officer about the proposals relating to the remuneration of other directors and have access to professional advice, if considered necessary, at the company's expense.

8.2 The Committee is authorized by the Board to seek any information it requires from any employee of the Company in order to perform its duties.

9. Duties

The Committee shall:

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

- 9.2 have the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management, including 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;
- 9.3 review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- 9.4 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;
- 9.5 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; and
- 9.6 ensure that no director or any of his associates is involved in deciding his own remuneration.