

# REMUNERATION COMMITTEE REPORT

The Company established the Remuneration Committee in February 1997 with the Independent Non-executive Directors constituting the majority of the committee. The chairman of the Remuneration Committee is the Chairman of the Board and the other members comprise the President & Chief Executive Officer of the Board and all the three Independent Non-executive Directors of the Company. The list of members of the Remuneration Committee can be found in the section headed "Corporate Information & Key Dates" of this annual report.

The Remuneration Committee operates pursuant to written terms of reference that is published at the Company's website [www.kerryprops.com](http://www.kerryprops.com). The primary responsibilities of the Remuneration Committee are, *inter alia*, the recommendations on the Company's policies and structure for all the remuneration of the Executive Directors, the proposal of the specific remuneration packages of the Executive Directors and the recommendation on the remuneration of the Non-executive Directors for the Board's approval. The Remuneration Committee also administers and makes determinations with respect to the Company's share option scheme. When the remuneration package of an individual Director is under review, such Director will abstain from voting.

During the financial year ended 31 December 2007, the Remuneration Committee met once with all its recommendations approved by the Board. The Remuneration Committee performed the following work:

- (i) The Remuneration Committee reviewed the salaries, housing allowances and pension contributions of the Executive Directors for the financial year ended 31 December 2007, prior to recommending them to the Board for approval.
- (ii) The Remuneration Committee reviewed and recommended to the Board for approval the payment of bonuses to the Executive Directors of the Company, which amounted to HK\$63,670,000 in respect of the financial year ended 31 December 2006.
- (iii) The Remuneration Committee also considered and gave regard to the proposed remuneration packages of the Executive Directors, and proposed that no share options were granted to the Executive Directors in respect of their services for the financial year ended 31 December 2006.

During the year, the Board approved all the recommendations of the Remuneration Committee.

## MEMBERS OF THE REMUNERATION COMMITTEE

**ANG Keng Lam (Chairman)**

**WONG Siu Kong**

**William Winship FLANZ**

**KU Moon Lun** (*appointed on 3 May 2007*)

**LAU Ling Fai, Herald**

**Christopher Roger MOSS, o.B.E.**

(*retired on 3 May 2007*)

Hong Kong, 19 March 2008