

COSCO SHIPPING Development Co., Ltd.
WORKING RULES FOR THE REMUNERATION COMMITTEE UNDER THE BOARD OF DIRECTORS

(Considered and passed at the 14th meeting of the 5th session of the Board of Directors)

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to establish a sound administration system of remuneration for directors and officers of COSCO SHIPPING Development Co., Ltd. (the “**Company**”) and perfect its corporate governance structure, the Board of Directors of the Company (the “**Board of Directors**”) decided to set up a Remuneration Committee, and formulated these rules (the “**Rules**”) in accordance with the “Company Law of the People’s Republic of China”, “Code of Corporate Governance for Listed Companies”, “Listing Rules of Shanghai Stock Exchange”, “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” and the “Articles of Association of COSCO SHIPPING Development Co., Ltd.” (the “**Articles of Association**”) and other relevant provisions.

Article 2 The Remuneration Committee is a specific working body under the Board of Directors. Its main responsibilities are to make decisions or recommendations on formulating the policies for and proposals on the remuneration of directors, supervisors and officers of the Company.

Article 3 In these Rules, director(s) and supervisor(s) refer to the director(s) and supervisor(s) receiving remuneration from the Company, respectively, while officers refers to the Chief Executive Officer (CEO), General Manager, Deputy General Manager, Chief Accountant, Secretary of the Board of Directors appointed by the Board of Directors and other officers recognized by the Board of Directors.

CHAPTER 2 COMPOSITION

Article 4 The Remuneration Committee shall comprise three members, all being the current directors of the Company, and more than half of whom shall be independent non-executive directors.

Article 5 The members of the Remuneration Committee shall be nominated by the chairman of the Board of Directors, more than half of the number of independent non-executive directors or more than one third of all directors, and shall be appointed by the Board of Directors.

Article 6 The Remuneration Committee shall have a chairman who shall be an independent non-executive director.

Article 7 The term of office of the Remuneration Committee shall be the same as that of the Board of Directors. A member may serve consecutive terms and be re-elected upon expiry of his/her term. If any member resigns from the position of director of the Company during his/her term of office, he/she shall automatically lose his/her position as a committee member, and the vacancy shall be filled by the Board of Directors in accordance with the provisions of Articles 4 to 6 above.

CHAPTER 3 DUTIES AND AUTHORITIES

Article 8 The major duties and authorities of the Remuneration Committee include:

1. to formulate remuneration plans or proposals for directors, supervisors and officers based on their duties, responsibilities and importance with reference to the remuneration levels of similar positions in comparable companies. The remuneration plans or proposals shall mainly include, but not limited to, the standards, procedures and major assessment system for performance appraisal, and major plans and systems for awards and punishments;
2. to make recommendations to the Board of Directors on the Company's policy and structure for all directors' and officers' remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
3. to review and approve the management's remuneration proposals with reference to the corporate goals and objectives of the Board of Directors;
4. either:
 - (i) to determine, with responsibility delegated from the Board of Directors, the remuneration packages of individual executive directors and officers; or
 - (ii) to make recommendations to the Board of Directors on the remuneration packages of individual executive directors and officers.

This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

5. to make recommendations to the Board of Directors on the remuneration of non-executive directors;
6. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
7. to review the performance of duties by directors, supervisors and officers and conduct annual performance assessment for them;
8. to review and approve compensation payable to executive directors and officers for any losses or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
9. to 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;
10. to monitor the implementation of the Company's remuneration system;

11. to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration; and
12. to deal with other matters authorised by the Board of Directors.

Article 9 The Remuneration Committee shall be accountable to the Board of Directors. In accordance with the provisions of relevant laws and regulations and the Articles of Association, the Remuneration Committee shall propose resolutions with reference to the Company's actual situation and submit the same to the Board of Directors for approval or consideration. The remuneration plans for directors and supervisors shall be proposed to the general meeting for approval and implementation accordingly.

CHAPTER 4 WORKING PROCEDURES

Article 10 The office of the Secretary of the Board of Directors shall coordinate with the personnel department and other relevant departments to provide the Remuneration Committee with the following written materials for decision- making purpose:

1. to provide information on fulfillment by the Company of its main financial targets and business objectives;
2. to provide information on the division of labor among the Company's officers and their main duties;
3. to provide information on target completion in relation to the work performance appraisal system of directors, supervisors and officers;
4. to provide information on the business initiatives and profit-making ability of directors, supervisors and officers in business operation; and
5. to provide information on the basis for formulating the Company's plans and methods for fixing remunerations based on its operating results.

Article 11 The procedures for appraising directors, supervisors and officers are as follows:

1. The directors, supervisors and officers shall report their work and make self-appraisals to the Remuneration Committee;
2. The Remuneration Committee shall convene meetings to conduct performance appraisal of the directors, supervisors and officers according to the performance appraisal standards and procedures;
3. A proposal on the amount of remuneration and method of reward for the directors, supervisors and officers based on the results of work performance appraisals and prepared according to the remuneration and distribution policies shall be made and, after being approved by a vote, it shall be reported to the Board of Directors of the Company.

CHAPTER 5 RULES OF PROCEDURES FOR MEETINGS

Article 12 For convening meetings of the Remuneration Committee, a notice of meeting shall be given to all members five days prior to that meeting. In case of emergency, an extraordinary meeting may be convened not subject to the aforesaid time limit for sending notice provided that all members have confirmed their receipt of such notice.

Article 13 The meetings of the Remuneration Committee shall be convened only with the presence of not less than two thirds of the members. The meetings shall be chaired by the chairman of the committee. If the chairman of the committee cannot attend the meeting, he/she may appoint another member to chair the meeting.

Article 14 A meeting of the Remuneration Committee may be convened by way of on-site meeting or correspondence meeting, at which members shall vote by a show of hands or in written form. Each member shall be entitled to one vote. Resolutions of a meeting must be adopted by the affirmative votes of more than half of all members.

Article 15 Other directors, supervisors, management personnel and other relevant officers of the Company may be invited to attend the meetings of the Remuneration Committee if necessary.

Article 16 The Remuneration Committee shall consult the Chairman and/or the Chief Executive Officer for proposals on the remuneration of other executive directors. When performing its duties, the Remuneration Committee may, if necessary, engage an intermediary institution to provide independent professional advice on its decision. The cost shall be borne by the Company.

Article 17 When any subject of discussion of the Remuneration Committee relates to a member of the committee at a meeting, such member shall abstain from such meeting.

Article 18 The procedures for convening a meeting, the method of voting and the resolutions passed at a meeting of the Remuneration Committee shall comply with the provisions of the relevant laws, regulations, the Articles of Association and these Rules.

Article 19 The Remuneration Committee shall keep minutes of its meetings. Members present at a meeting shall sign the minutes of the meeting which shall be kept by the duly appointed secretary of the meeting (usually the Secretary of the Board of Directors of the Company) for a period of not less than ten years. The secretary of the meeting shall make the minutes of meetings available for inspection at any reasonable time upon a reasonable request by any directors of the Company.

Article 20 Any resolutions passed and the result of any polls taken at a meeting of the Remuneration Committee shall be reported in writing to the Board of Directors. Minutes of meetings of the Remuneration Committee shall record in sufficient details the matters considered at the meetings and the decision reached, including any concerns raised by directors or dissenting view expressed. Draft and final versions of minutes of the meetings shall be sent to all committee members for their comment and records within a reasonable time after the meeting.

Article 21 The chairman of the Remuneration Committee or in his/her absence, another member of the committee or failing this, his/her duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to answer questions at the annual general meeting on the Remuneration Committee's activities and their responsibilities.

Article 22 Any member of the Remuneration Committee shall be obliged to keep confidential all matters of the Company which came to his/her knowledge due to his/her term of office, and shall not disclose any relevant information without authorisation, otherwise he/she shall be liable for the corresponding legal responsibilities.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 23 Any matters not covered by these Rules shall be implemented in accordance with the provisions of the relevant laws and regulations of the People's Republic of China and the Articles of Association. If these Rules contravene any laws and regulations or the legally amended Articles of Association, these Rules shall be promptly amended and reported to the Board of Directors for consideration and adoption.

Article 24 The power of interpretation of these Rules shall be vested in the Board of Directors.

Article 25 These Rules shall be implemented on the date on which the relevant resolution is passed by the Board of Directors.

Note: These Working Rules are written in Chinese without an official English version. This English version is for reference only. In case of any inconsistency, the Chinese version shall prevail.