

Briefing Paper re: Structure of the Board of Directors of Hongkong International Theme Parks Limited (“HKITP”)

The Shareholders’ Agreement provides as follows :

1. Directors

- (a) The holders of A and X Shares (i.e. the Government Shareholders), B Shares (i.e. Disney and its Affiliates) and the C Shares (i.e. Third Parties who may acquire shares in the future) in HKITP, each as a class, may appoint and remove one Director (A, B, and C Director respectively) for each whole 10% of the issued share capital of HKITP (excluding the D Shares to be issued in respect of the Land Grant) which they hold.
- (b) In addition to the A, B, and C Directors, the Original Shareholders (being the Government, Disney and their respective Affiliates) may, if they so agree, appoint and remove up to two independent non-executive directors for a term of not more than 2 years.

2. Board Meetings

Board Meetings shall (unless the Directors agree otherwise) be held in Hong Kong not less than once in every 90 days during the period prior to Opening Day, and not less than semi-annually after Opening Day.

3. Directors Votes

At Board Meetings, the A, B, and C Directors shall effectively be able to exercise one vote for each whole 10% of the issued share capital of HKITP (excluding D shares) held by the Government, Disney (and each of their respective Affiliates) and by the C Shareholders (each as a class) respectively.

4. The Chairman

The Directors shall elect one of their number to be the Chairman of HKITP. The first Chairman shall be an “A” Director and shall hold office until 30 September 2000, thereafter the appointment will rotate annually between the “B” and “A” Directors.

5. The Quorum

The quorum for Board Meetings must, for so long as the Government and Disney are entitled to appoint Directors, include one A and one B Director but if the quorum is not present at any meeting, it will be adjourned and the quorum at the adjourned meeting is any two directors.

6. Alternates

Each Director has power to appoint an alternate to represent him at Board Meetings which he is unable to attend.

7. Written Consents

A Board resolution can be passed in the form of a written resolution signed by all the Directors.

8. Remuneration

Directors fees (if any) are to be subject to the unanimous approval of the A, X and B Shareholders, but subject thereto a Director shall not be entitled to any other remuneration for his holding office (but may be so entitled in some other capacity).

Tourism Commission
Economic Services Bureau
November 1999