

Deson Development International Holdings Limited (the “Company”) Terms of Reference for Remuneration Committee

Functions and Objectives

The Remuneration Committee (the “Committee”) is appointed by the board of directors of the Company (the “Board”) with a view to:

1. Establish and apply a formal and transparent procedure for setting policy on executive directors and senior management’s remuneration, and on all directors and senior management’s remuneration packages; and
2. Ensure that procedures and principles for fixing packages of all directors and senior management are proper so that the levels of remuneration of directors commensurate with their qualifications and competencies, and that such remuneration is sufficient to attract and retain the directors and senior management but not excessive.

Composition

The Committee must be chaired by an independent non-executive director and comprising a majority of independent non-executive directors.

Proceedings of Meetings

The Committee shall meet as and when necessary or as requested by any Committee member. The meetings and proceedings of the Committee are governed by the provisions of the Bye-Laws of the Company for regulating the meetings and proceedings of the Committee so far as the same are applicable and are not superseded by the regulations imposed by the Board.

Authorities

The authority of the Committee is derived from the Board, therefore the Committee is obliged to report to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions in doing so. Meeting shall be held not less than once a year.

The Committee should consult the Chairman or the Managing Director of the Company on their remuneration proposals for other executive directors and senior management. The Remuneration Committee should have access to independent professional advice if necessary.

The duties of the Committee are as follows:

1. Recommend the Board on policy and structure for all directors and senior management’s remuneration;
2. Recommend the Board on the establishment of a formal and transparent procedure for developing remuneration policy;

3. Make recommendations to the Board on the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payable for loss or termination of office or appointment;
4. Make recommendations to the Board on the remuneration of non-executive directors;
5. Review and approve performance-based remuneration proposals with reference to the Board's corporate goals and objectives;
6. Consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the group;
7. Review and approve the compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
8. Review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure they are consistent with contractual terms and are otherwise reasonable and appropriate;
9. Ensure that no director or any of his associates is involved in deciding his own remuneration; and
10. The chairman of the Committee or another member of the Committee shall attend the annual general meeting at which the financial statements are approved.