



TOP FORM INTERNATIONAL LIMITED

黛麗斯國際有限公司*

(於百慕達註冊成立之有限公司)

(股份代號: 333)

COMPENSATION COMMITTEE

TERMS OF REFERENCE

Membership

1. Members of the Compensation Committee (the “Committee”) shall be appointed by the Board from amongst the Non-Executive and Independent Directors of the Board, a majority of whom should be independent and shall consist of not less than three members. A quorum shall be two members.
2. The Chairman of the Committee (the “Chairman”) shall be appointed directly by the Board.

Attendance at meetings

3. Members of the Committee shall normally attend meetings. Other Board members shall also have the right of attendance.
4. Any member of the Committee or the Company Secretary appointed by the Chairman shall be the secretary of the Committee.
5. Compensation Committee meetings should follow an agenda to impose form and discipline and to help the Compensation Committee Chairman to control the meetings.

Frequency of meetings

6. Meetings shall be held at least once a year.

Authority

7. The Committee is authorized by the Board to investigate any activity within the terms of reference set out herein. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request by the Committee.
8. The Committee is authorized by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience if it considers this necessary.

* For identification purpose only

Duties

9. The duties of the Committee shall be:
 - 9.1 to make recommendations to the board on the policy and structure for all directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
 - 9.2 to review and approve management's remuneration proposals with reference to the board's corporate goals and objectives;
 - 9.3 to determine, with delegated responsibility, the remuneration packages of individual 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;
 - 9.4 to make recommendations to the board on the remuneration of non-executive directors;
 - 9.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
 - 9.6 to review and approve compensation payable to executive directors and senior management for any loss or termination of their office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
 - 9.7 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;
 - 9.8 to ensure that no director or any of his associates is involved in deciding his own remuneration; and
 - 9.9 to consider other topics, as defined by the Board.

Reporting procedures

10. The secretary of each Committee meeting shall circulate the minutes of meetings of the Committee to all members of the Committee and the Board. The Compensation Committee Chairman shall formally approve minutes of the Committee meetings.