

**DESON DEVELOPMENT INTERNATIONAL HOLDINGS LIMITED (THE “COMPANY”)**  
(Stock Code: 262)

**Terms of Reference for Remuneration Committee**

**Constitution**

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company has resolved to establish a Committee of the Board known as the Remuneration Committee (the “**Committee**”) at a meeting held on 1 December 2005.

**Functions and Objectives**

The Committee is appointed by 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**

1. The Committee must be chaired by an independent non-executive director and comprising a majority of independent non-executive directors.
2. The Committee shall consist of not less than three members (the “**Members**”).
3. Unless it is agreed otherwise, the company secretary of the Company should assume the role of secretary for the Committee.

**Proceedings and Records of Meetings**

1. 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the Company for regulating the meetings and proceedings of the Committee so far as the same are applicable and are not superseded by the regulations imposed by the Board.
2. Two members shall form a quorum for a meeting.

3. The Committee may invite the chairman of the Company, any executive Directors, member of senior management or other individuals to attend meetings of Committee as it considers appropriate but such executive Director, member of senior management or other individuals are not entitled to vote at the meetings. Other Board members shall also have the right of attendance.
4. Meetings shall be held not less than 2 times a year. Special meetings may be convened as required.
5. The chairman of the Committee (the “**Chairman**”), in consultation with the director responsible for human resources function (“**Responsible Director**”) and the secretary, should be primarily responsible for drawing up and approving the agenda for each Committee meeting. The Chairman, with the assistance of the Secretary, shall ensure that all Members shall receive sufficient information in a timely manner to enable effective discussion at the Committee meeting. The Chairman shall, with the assistance of the Responsible Director, brief all Members on issues arising at each Committee meeting.
6. Full minutes of the Committee should be kept by the secretary of the Committee and be available for inspection by any reasonable time on reasonable notice by any director of the Company.
7. The draft and final versions of the minutes of the meetings should be sent to all Committee members for their comment and records within a reasonable time after the meeting.
8. The chairman of the Committee or another member of the Committee shall attend the Board meeting and the annual general meeting at which the financial statements are approved.
9. The chairman of the Committee, or in the absence of the chairman of the Committee, another member of the Committee, or failing which his duly appointed alternate, shall attend the Company’s annual general meetings and be prepared to respond to any shareholder’s questions on the Committee’s activities and its responsibilities.
10. The Committee shall make available its terms of reference by inclusion on the website of The Stock Exchange of Hong Kong Limited and the Company’s website for corporate communications.

### **Authority**

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. Review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**");
10. Consider and approve the grant of share options to eligible participants pursuant to the share option scheme;
11. Ensure that no director or any of his associates is involved in deciding his own remuneration; and
12. The chairman of the Committee or another member of the Committee shall attend the annual general meeting at which the financial statements are approved.

For the purpose of this terms of reference, "senior management" shall refer to the same category of persons as referred to in the Company's annual report and is required to be disclosed under Appendix 14 of the Listing Rules.

*(The English version shall always prevail in case of any inconsistency between the English version and its Chinese translation.)*

*(Adopted by the Company pursuant to the Board's resolution passed on 1 December 2005 and 30 December 2022)*