



## TOP FORM INTERNATIONAL LIMITED

黛麗斯國際有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 333)

### COMPENSATION COMMITTEE TERMS OF REFERENCE

#### 1. Membership

- 1.1 Members of the Compensation Committee (the “**Committee**”) shall be appointed by the board of directors (the “**Board**”) from amongst the non-executive and independent non-executive directors of the Company, a majority of whom should be independent non-executive directors and shall consist of not less than three members.
- 1.2 The chairman of the Committee (the “**Chairman**”) shall be appointed directly by the Board.

#### 2. Attendance at meetings

- 2.1 Members of the Committee shall normally attend meetings. Other Board members shall also have the right of attendance.
- 2.2 Any member of the Committee or the company secretary of the Company shall be the secretary of the Committee.
- 2.3 Compensation Committee meetings should follow an agenda to impose form and discipline and to help the Chairman of the Committee to control the meetings.

#### 3. Frequency and proceedings of meetings

- 3.1 Meetings shall be held at least once a year. Additional meetings shall be held as the work of the Committee demands.
- 3.2 Members of the Committee may attend meetings of the Committee either in person or through other electronic means of communication or in such other manner as the members may agree.
- 3.3 A quorum shall be two members of the Committee.
- 3.4 A resolution in writing signed by all members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Compensation Committee duly convened and held.

\* For identification purpose only

#### **4. Authority**

- 4.1 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.
- 4.2 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.

#### **5. Duties**

The duties of the Committee shall be:

- 5.1 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;
- 5.2 to review and approve management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 5.3 either:
  - i. 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; or
  - ii. to make recommendations to the Board on the remuneration packages of individual executive directors and senior management.
- 5.4 to make recommendations to the Board on the remuneration of non-executive directors;
- 5.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- 5.6 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;
- 5.7 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;
- 5.8 to ensure that no director or any of his associates is involved in deciding his own remuneration;

- 5.9 to review and/or approve the 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**”) (as amended from time to time); and
- 5.10 to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board.

**6. Reporting procedures**

- 6.1 Full minutes of the meetings of the Committee and written resolutions of the Committee should be kept by the secretary of the Committee.
- 6.2 The secretary of the Committee shall circulate the minutes of meetings of the Committee to all members of the Committee and the Board within a reasonable time after the conclusion of the meeting for their comment and records. The Chairman of Committee shall formally approve minutes of the Committee meetings.
- 6.3 The Chairman, or in his absence, another member of the Committee, shall attend the Company’s annual general meeting to answer shareholders’ questions on the Committee’s work and its responsibilities.

(amended on 28 September 2023)