



DYNAMIC HOLDINGS LIMITED

達力集團有限公司

Terms of Reference for Remuneration Committee

Constitution

1. The Board hereby resolves to establish a Committee of the Board to be known as the Remuneration Committee.

Membership

2. The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than two members. And a majority of whom should be Independent Non-Executive Directors. A quorum shall be two members.
3. The Chairman of the Committee (if any) shall be appointed by the Board.

Attendance at meetings

4. The members of the Committee shall normally attend meetings. Other members of the Board shall also have the right of attendance.
5. A meeting or an action that may be taken by the Committee may also be taken by consent in writing signed by all members of the Committee except such as are absent from the territory in which the principle office of the Company is for the time being situate or temporarily unable to act through ill-health or disability (or their alternates, if any) shall (so long as such consent shall be signed by at least two members or their



alternates, if any, and provided that a copy of such consent has been given or the contents thereof communicated to all the members of the Committee for the time being entitled to receive notices of meetings of the Committee) be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. Any such consent in writing may consist of several documents in like form each signed by one or more of the members or their alternates, if any. Such consent in writing may be by means of telex, telegram, cable, facsimile or other written electronic communication.

6. Any member of the Committee may participate in a meeting by means of a telephone or other audio communications equipment.

Frequency of meetings

7. Meetings shall be held on a need basis.

Authority

8. The Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
9. 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 and expertise if it considers this necessary.



Duties

10. The duties of the Committee shall be:-
 - 10.1 the Committee should consult the Chairman and/or Chief Executive Officer of the Company about their proposals relating to the remuneration of other Executive Directors;
 - 10.2 to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedures for developing policy on such remuneration;
 - 10.3 to have the delegated responsibility to determine the specific remuneration packages of all 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, and make recommendations to the Board of the remuneration of Non-Executive Directors. The Remuneration Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Company and its subsidiaries and desirability of performance-based remuneration;
 - 10.4 to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
 - 10.5 to review and approve the compensation payable to Executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;



- 10.6 to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
- 10.7 to ensure that no Director or any of his associates is involved in deciding his own remuneration; and
- 10.8 the Committee shall advise the Company's shareholders on how to vote with respect to any service contracts of Directors that require shareholders' approval under rule 13.68 of The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Reporting procedures

11. Full minutes of the meetings of the Committee should be kept or action of the Committee taken by consent in writing should be recorded by the secretary of the Committee.
12. Draft and final versions of minutes of the meetings of the Committee should be sent to all members of the Committee for their comment and records respectively, in both cases within a reasonable time after the meeting. Action of the Committee taken by consent in writing should also be sent to all members of the Committee for their comments and records respectively within a reasonable time.
13. The Committee should report back to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).

Hong Kong, 1 January 2009