



DVN (HOLDINGS) LIMITED
天地數碼(控股)有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 00500)

**TERMS OF REFERENCE
OF
REMUNERATION COMMITTEE**

1. CONSTITUTION

- 1.1 The remuneration committee (the “**Committee**”) of DVN (Holdings) Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) is a committee of the board of directors of the Company (the “**Board**”).

2. MEMBERSHIP

- 2.1 The Committee shall consist of at least three directors with a majority of the independent non-executive directors of the Company (the “**INEDs**”) appointed by the Board.
- 2.2 The Committee should be chaired by any one INED as nominated by the Board amongst the Committee members.
- 2.3 The company secretary of the Company or as otherwise determined by the Board, shall act as the secretary of the Committee.

3. PROCEEDINGS OF THE MEETINGS

- 3.1 A quorum of a meeting shall be three members of the Committee.
- 3.2 Other Board members, apart from the Committee members, have the right to attend any Committee meetings, though they shall not be counted in the quorum.
- 3.3 A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more of the members of the Committee.
- 3.4 Proceedings of meetings of the Committee shall be governed by the provisions of the bye-laws of the Company.

4. FREQUENCY OF MEETINGS

- 4.1 The Committee shall meet at least once every year and the Board or the Committee members may call any meetings at any time when necessary.

**For identification purpose only*

5. AUTHORITY

- 5.1 The Committee is authorised by the Board to seek any necessary information which is within the Committee's scope of duties from the employees.
- 5.2 The Committee shall be provided with sufficient resources to perform its duties and is authorised by the Board to obtain outside independent professional advice, and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.
- 5.3 The Committee shall be provided with adequate information in a timely manner to enable it the Remuneration Committee to make informed decision.
- 5.4 The Committee is authorised to do any such things to enable the Committee to properly perform its powers and functions.

6. DUTIES, ROLES AND FUNCTIONS

- (a) to make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (d) to make recommendations to the Board on the remuneration of non-executive directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (f) to review and approve 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;
- (g) 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;
- (h) to ensure that no director or any of his associates is involved in deciding his own remuneration; and
- (i) to consult the chairman and/or CEO of the Group about their remuneration proposals for other executive directors of the Company.

7. REPORTING PROCEDURE

- 7.1 The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting or the passing of any written resolution(s) of the Committee, the chairman of the Committee shall report such findings and recommendations of the Committee to the Board.

March 2012