



ELEGANCE OPTICAL INTERNATIONAL HOLDINGS LIMITED

高雅光學國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code : 907)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

*(with effect from 30 December 2022 according to
Board Resolution dated 30 December 2022)*

1. CONSTITUTION

Pursuant to the resolutions passed on 29 June 2005 by the Board of Directors of the Company (the “**Board**”), a Remuneration Committee (the “**Committee**”) was established. The Board has adopted this set of terms of reference for Committee by a resolution passed on 30 December 2022.

2. OBJECTIVE

The Committee is a standing committee of the Board. The purpose of it is to discharge the Board’s responsibility related to remuneration policies and issues and packages for Directors, senior management and such other employees of the Company as the Board may determine and other remuneration related matters.

3. MEMBERSHIP

3.1 The Committee shall be appointed by the Board and a majority of the members of the Committee shall be Independent Non-executive Directors.

3.2 The Chairman of the Committee shall be appointed by the Board who shall be an Independent Non-executive Director.

3.3 The Committee shall consist of not less than three members. The quorum of the Committee shall be any two members of the Committee.

3.4 The Company Secretary of the Company shall be the secretary of the Committee.

4. ATTENDANCE OF MEETINGS

4.1 Proceedings of the Committee meetings are governed by the Company’s bye-laws.

4.2 All Committee members are expected to attend each meeting, in person or via telephone conference, video conference or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other.

- 4.3 Only members of the Committee are entitled to vote at the meetings.
- 4.4 Resolutions of the Committee at any meetings shall be passed by a majority of votes of the members present.
- 4.5 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 duly convened and held.
- 4.6 Meeting agendas will be prepared and provided in advance to members of the Committee, along with appropriate briefing materials. Minutes of each meeting shall be prepared and kept by the secretary of the Committee. Draft and final versions of minutes shall be circulated to all members for their comments and records within a reasonable period of time after the meeting. Such minutes shall be open for Directors' inspection at any reasonable time on reasonable notice by any Director.

5. FREQUENCY OF MEETINGS

Meetings shall be held at least once a year and such other times if necessary.

6. AUTHORITY

- 6.1 The members of the Committee shall have access to the advice and services of the Company Secretary of the Company who is responsible to the Committee for ensuring that Committee procedures, and all applicable rules and regulations, are followed.
- 6.2 The Committee is authorised by the Board where necessary to seek independent professional advice at the Company's expense to assist them to discharge their duties to the Company.
- 6.3 In discharging its responsibilities, the Committee shall have full access to any relevant records of the Company and may also request that any Director, officer, or other employee of the Company or any other person, to meet with or provide information to members of the Committee.
- 6.4 The Committee shall be provided with sufficient resources to perform its duties.

7. RESPONSIBILITIES, POWERS AND FUNCTIONS

The Committee shall have the following responsibilities:

- 7.1 to make recommendations to the Board on all matters relating to policy and structure of the Company for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- 7.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

7.3 either:–

- (a) to determine, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management; or
- (b) to make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management.

This should include salaries, bonuses, benefits in kind, the terms on which they participate in any share or other incentive scheme and any provident fund or other retirement benefit scheme and compensation payments including any compensation payable for loss or termination of their office or appointment.

The Committee should consult the Chairman and/or Chief Executive of the Company about their remuneration proposals for other Executive Directors;

- 7.4 to make recommendations to the Board on the remuneration of Non-executive Directors;
- 7.5 in determining and recommending remuneration, to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
- 7.6 to review and approve the compensation payable to Executive Directors and senior management for any loss or termination of office or appointment to ensure that such compensation is consistent with contractual terms and that such compensation is otherwise fair and not excessive;
- 7.7 to review and approve the compensation arrangements relating to dismissal or removal of Directors and senior management for misconduct to ensure that such arrangements are consistent with contractual terms and are otherwise reasonable and appropriate;
- 7.8 to ensure that no Director or any of his/her associate is involved in deciding his/her own remuneration;
- 7.9 to 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**”);
- 7.10 when the occasion arises, advise shareholders on how to vote with respect to any service contracts of Directors that require shareholders’ approval under the Listing Rules; and
- 7.11 do such other things to enable the Committee to discharge its powers and functions conferred to it by the board.

In performing its duties, due regards should be given to the Listing Rules and the associated guidance.

8. ANNUAL GENERAL MEETING

Chairman of the Committee or another member of the Committee shall attend the Company's Annual General Meeting to respond to shareholders' questions on the Committee's activities and their responsibilities.

9. REPORTING RESPONSIBILITIES

The Committee shall report to the Board on a regular basis.

Remarks:

"Senior management" refers to the same category of persons referred to in the Company's annual report.