



E Lighting Group

## **E Lighting Group Holdings Limited**

### **壹照明集團控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 08222)**

## **TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

### **1. ORGANIZATION**

The board (the “**Board**”) of directors of the Company (the “**Directors**”) has resolved to set up a remuneration committee (the “**Committee**”).

### **2. COMPOSITION**

2.1 The Committee shall consist of at least three Directors, of which a majority should be independent non-executive Directors, appointed by the Board from time to time.

2.2 The chairman of the Committee, who must be an independent non-executive Director of the Company, shall be appointed by the Board.

### **3. OBJECTIVE**

The main objective of the Committee is to regularly make recommendations to the Board on the Company’s policy and structure for the remuneration of all the Directors’ and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy. The Committee is accountable to the Board.

### **4. SECRETARY**

Save as otherwise appointed by the Committee, the secretary to the Committee shall be the secretary to the Company.

### **5. MEETINGS**

5.1 The Committee shall meet at least once every year. Additional meetings may be convened by the chairman of the Committee as and when necessary.

5.2 The quorum of a meeting shall be two members of the Committee.

5.3 Proceedings of meetings of the Committee shall be governed by the provisions of the articles of association of the Company as amended from time to time.

- 5.4 Unless otherwise agreed by all the members of the Committee, a meeting shall only be called with at least seven (7) days' prior notice.
- 5.5 For regular Committee meetings, and so as far as practicable in all other cases, an agenda and accompanying papers should be sent, in full, to all members of the Committee and the Directors. These should be sent in a timely manner and at least three (3) days before the intended date of the Committee meeting (or such other agreed period as agreed).
- 5.6 At all times the members of the Committee shall be notified of and be invited to all meetings of the Committee and may attend all the meetings of the Committee.
- 5.7 Members of the Committee may participate in a meeting of the Committee by means of a conference telephone or other communications equipment through which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

## **6. COMMITTEE'S RESOLUTIONS**

- 6.1 A resolution in writing signed by all the members of the Committee shall be as valid and effective 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 Committee. Such resolution may be signed and circulated by facsimile or other forms of electronic communications. This provision is without prejudice to any requirement under the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") for a meeting of the Board or Committee to be held.

## **7. DUTIES**

The duties of the Committee shall include:

- (i) 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 procedure for developing policy on such remuneration;
- (ii) to review and approve the management's remuneration proposal with reference to the Board's corporate goals and objectives;
- (iii) 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 benefits in kind, pension rights and compensation payments, including any compensation payable for loss of termination of their office or appointment;

- (iv) to make recommendations to the Board on the remuneration of non-executive Directors;
- (v) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the members group comprising the Company;
- (vi) to review and approve compensation payable to the 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;
- (vii) to 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;
- (viii) to ensure that no Director or any of his associates is involved in deciding his own remuneration;
- (ix) to engage such external professional advisers to assist and/or to advise the Committee on issues as it considers necessary;
- (x) to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- (xi) to conform to any requirements, direction and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation.

## **8. AUTHORITY**

8.1 The Committee is granted the authority to investigate any activity within its terms of reference and all employees are directed to cooperate with any request made by the Committee. The Committee is authorized by the Board to obtain outside legal or other independent professional advice and to invite the attendance of outsiders with relevant experience and expertise if it considers this necessary.

8.2 The Committee is to be provided with sufficient resources to discharge its duties.

## **9. REPORTING PROCEDURES**

9.1 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).

- 9.2 Full minutes of meetings of the Committee shall be kept by the secretary to the Committee. Draft and final versions of minutes of the meetings should be sent to all Committee members for their comment and records within a reasonable time after the meeting.
- 9.3 Copies of the minutes of meetings of the Committee shall be provided to the Board at its meetings.
- 9.4 The chairman of the Board should invite the chairman of the Committee to attend the annual general meeting. In his/her absence, the chairman of the Board should invite another member of the Committee or failing this his/her duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting.

## **10. REVISION OF THE TERMS OF REFERENCE**

- 10.1 These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in the GEM Listing Rules and other regulatory requirements in Hong Kong.

*(Adopted by the Company pursuant to the Board's resolutions passed on 11 September 2014)*