



## LUMINA GROUP LIMITED

瑩嵐集團有限公司

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

**(Stock Code: 1162)**

(the “Company”)

### REMUNERATION COMMITTEE — TERMS OF REFERENCE

Approved by the board of directors of the Company (the “**Board**”) on 15 April 2020.

#### 1. MEMBERSHIP

- 1.1. The remuneration committee (the “**Committee**”) shall consist of not less than three directors appointed by the Board from time to time. The majority of the members of the Committee shall be independent non-executive directors of the Company.
- 1.2. The chairman of the Committee shall be appointed by the Board and shall be an independent non- executive director of the Company.
- 1.3. The appointment of the members of the Committee may be revoked, replaced or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee. An appointment of a member of the Committee shall be automatically revoked if such member ceases to be a member of the Board.
- 1.4. Save as otherwise appointed by the Committee, the company secretary shall be the secretary of the Committee and in the absence of the company secretary, a member of the Committee or his/her nominee shall act as the secretary.
- 1.5. The term of office of a member of the Committee shall be determined by the Board.

1.6. Each member shall disclose to the Committee:

- (i) any personal financial interest (other than as a shareholder of the Company) in any matter to be decided by the Committee; or
- (ii) any potential conflict of interest arising from a cross-directorship.

Any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions, and shall (if so required by the Board) resign from the Committee.

## **2. FREQUENCY AND PROCEEDINGS OF MEETINGS**

2.1. The Committee shall meet not less than once every year. Additional meetings shall be held as the work of the Committee demands.

2.2. The chairman of the Committee may convene additional meetings at his discretion.

2.3. The quorum of a meeting shall be two members of the Committee and one of them must be an independent non-executive director of the Company. Any members of the Committee or other attendees may participate in a meeting of the Committee by attending in person or by means of a telephone conference or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

2.4. The Committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants, to advise its members.

2.5. Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any member thereof.

2.6. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, the chief executive officer of the Company, the chief financial officer of the Company, any other person required to attend and all other executive and non-executive directors of the Company, at least three working days prior to the date of the meeting.

- 2.7. The chairman of the Board shall have the right to attend and speak at meeting of the Committee; others may be called upon or shall be able to speak by prior arrangement with the chairman of the Committee.
- 2.8. The secretary of the Committee shall keep the minutes of the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 2.9. Minutes of Committee meetings shall be circulated to all members of the Committee and to all members of the Board.
- 2.10. With consent by all members of the Committee, resolutions of the Committee could be passed by written resolutions.
- 2.11. Any resolution shall be passed by the majority votes of the members of the Committee who attend the meeting and a majority vote of the members present shall represent an act of the Committee.

### **3. DUTIES, POWERS AND FUNCTIONS**

The Committee shall

- (a) consult the chairman of the Board and/or the chief executive of the Company (where applicable) about their remuneration proposals for other executive directors. The Committee should have access to independent professional advice if necessary;
- (b) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) either (i) determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management; or (ii) make recommendations to the Board on the remuneration packages of individual executive directors and senior management of the Company. 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) make recommendations to the Board on the remuneration of non-executive directors of the Company;

- (e) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
- (f) review and approve compensation payable to the executive directors and senior management of the Company 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) review and approve compensation arrangements relating to dismissal or removal of directors of the Company for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (h) ensure that no director of the Company or any of his/her associates is involved in deciding his/her own remuneration; and
- (i) make recommendations to the Board on the Company's policy and structure for remuneration of all directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing remuneration policy.

The Committee shall report directly to the Board and shall, where appropriate, consult the Chairman of the Company about their proposals relating to the remuneration of directors and senior management.

#### **4. REPORTING PROCEDURES**

- 4.1. Full minutes of the meetings of the Committee should be kept by the secretary of the Company. Draft and final versions of minutes of the Committee meetings should be sent to all members of the Committee for their comment and records respectively within a reasonable time after the meeting.
- 4.2. The secretary of the Committee shall circulate the minutes of meetings of the Committee to all members of the Board.

## **5. PUBLICATION OF THE TERMS OF REFERENCE OF THE COMMITTEE**

The terms of reference of the Committee will be posted on the websites of the Company and The Stock Exchange of Hong Kong Limited.

## **6. INTERPRETATION**

Interpretation of these terms of reference shall belong to the Board.

*Note:* If there is any inconsistency between the English and Chinese versions of this document, the English version shall prevail.