

KELFRED HOLDING LIMITED

恒發光學控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島成立的有限公司)

(Stock code: 1134)

(股票編號: 1134)

(the “Company” and “本公司”)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE OF THE BOARD OF DIRECTORS OF THE COMPANY

本公司的董事會薪酬委員會職權範圍

1. Constitution

The remuneration committee (the “Committee”) is established pursuant to the resolutions of the board (the “Board”) of directors (the “Directors”) dated 22 June 2019.

2. Membership

2.1 Members of the Committee shall be appointed by the Board from amongst the members of the Board and shall consist of not less than three members and a majority of which should be independent non-executive Directors of the Company.

2.2 The Chairman of the Committee shall be appointed by the Board and shall be an independent non-executive Director.

2.3 The company secretary of the Company shall be the secretary of the Committee. In the absence of the secretary of the Committee, Committee members present at the meeting may elect among themselves or appoint another person as the secretary for that meeting.

1. 組成

本薪酬委員會(「委員會」)是按本公司董事(「董事」)會(「董事會」)於2019年6月22日決議通過成立的。

2. 成員

2.1 委員會成員由董事會從董事會成員中挑選，委員會人數最少三名，而大部份之成員須為本公司的獨立非執行董事。

2.2 委員會主席由董事會委任，並由獨立非執行董事出任。

2.3 本公司的公司秘書為委員會的秘書。如委員會秘書缺席，出席的委員將在他們當中選出秘書或委任其他人擔任該會議的秘書。

2.4 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 Committee member shall be automatically revoked if such member ceases to be a member of the Board.

3. Proceedings of the Committee

3.1 Notice:

- (a) Unless otherwise agreed by all the Committee members, a meeting shall be called by at least seven days' notice. Such notice shall be sent to each member of the Committee, and to any other person invited to attend. Irrespective of the length of notice being given, attendance of a Committee member at a meeting constitutes a waiver of such notice unless the Committee member attending the meeting attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the meeting has not been properly convened.

2.4 經董事會及委員會分別通過決議，方可委任額外、更替或罷免委員會的成員。如該委員會成員不再是董事會的成員，該委員會成員的任命將自動撤銷。

3. 會議程序

3.1 會議通知：

- (a) 除非委員會全體成員同意，召開委員會的會議通知期，不應少於七天。該通知應發給每名委員會會員及其他獲邀出席的人士。不論通知期長短，委員會成員出席會議將被視為其放棄受到足期通知的權利，除非出席該會議的委員會成員在會議開始之時表示其目的，以會議沒有按正確程序召開為理由，反對會議處理任何事項。

(b) A Committee member may and, on the request of a Committee member, the secretary to the Committee shall, at any time summon a Committee meeting. Notice shall be given to each Committee member in person orally or in writing or by telephone or by email or by facsimile transmission at the telephone or facsimile or address or email address from time to time notified to the secretary by such Committee member or in such other manner as the Committee members may from time to time determine.

(c) Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.

(d) Notice of meeting shall state the time and place of the meeting. An agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting should generally be delivered to all Committee members seven days (and in any event not less than three days) before the intended date of the Committee meeting (or such other period as all the Committee members may agree).

3.2 **Quorum:** The quorum of the Committee meeting shall be two members of the Committee and a majority of which shall be the independent non-executive Directors.

(b) 任何委員會成員或委員會秘書(應委員會任何成員的請求時)可於任何時候召集委員會會議。召開會議通告必須親身以口頭或以書面形式、或以電話、電子郵件、傳真或其他委員會成員不時議定的方式發出予各委員會成員(以該成員不時通知秘書的電話號碼、傳真號碼、地址或電子郵箱地址為準)。

(c) 以口頭方式作出的會議通知，應儘快(及在會議召開前)以書面方式確實。

(d) 會議通告必須說明開會的時間、地點。議程及隨附有關文件一般在預期召開委員會會議前七天(無論如何不少於三天)(或其他經所有委員同意的其他時段)送達各成員參閱。

3.2 **法定人數:** 法定人數為兩位成員，而大部份出席的成員須為獨立非執行董事。

- 3.3 **Frequency:** Meetings shall be held at least once every year to set policy on executive Directors' remuneration and to fix the remuneration packages for all Directors.
- 3.4 Meetings may be held in person, or by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.
- 3.5 No Committee member may vote on any resolution of the Committee regarding his own remuneration.
- 4. Written resolutions**
- 4.1 A resolution in writing signed by all the Committee members 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 Committee members.
- 5. Overriding principles**
- 5.1 Remuneration levels should be sufficient to attract and retain Directors to run the Company successfully without paying more than necessary.
- 5.2 No Director should be involved in deciding his own remuneration.
- 5.3 The Committee should consult the chairman of the Board and/or chief executive officer of the Company about their remuneration proposals for other executive Directors. The Committee should have access to independent professional advice if necessary.
- 3.3 **開會次數：**每年最少開會一次，以制訂有關執行董事酬金的政策及釐訂各董事的薪酬待遇。
- 3.4 會議可由委員會成員親身出席，或以電話、電子、或其他可讓出席會議的人員同時及即時與對方溝通的方式進行，而以上述方式出席會議等同於親身出席有關會議。
- 3.5 委員會成員不能就有關其本身的薪酬決議上投票。
- 4. 書面決議**
- 4.1 經由委員會全體成員簽署通過的書面決議案與經由委員會會議通過的決議案具有同等效力，而有關書面決議案可由一名或以上委員會成員簽署格式類似的多份文件組成。
- 5. 首要的基本規則**
- 5.1 所定的薪酬的水平應足以吸引及挽留董事管好公司營運，而又不致支付過多的酬金。
- 5.2 任何董事不得參與訂定本身的薪酬。
- 5.3 委員會應就其他執行董事的薪酬建議諮詢董事會主席及／或公司行政總裁。如有需要，委員會應可尋求獨立專業意見。

6. Alternate Committee members

A Committee member may not appoint any alternate.

7. Authority of the Committee

7.1 The Committee may exercise the following powers:

- (a) to review any proposed service contract with any Director or senior management before such contract is entered into and to make recommendation to the Company's human resources department for any changes to the proposed terms of such contract;
- (b) to make recommendations regarding the remuneration, bonuses and welfare benefits of the executive Directors and the senior management;
- (c) to request the Board to dismiss any employees and/or to convene a shareholders' meeting (if necessary) for purposes of removing any Director if there is evidence showing that the relevant Director and/or employee has failed to discharge his duties properly;
- (d) to obtain outside legal or other independent professional advice at the expenses of the Company on any matters within these terms of reference as it considers necessary and to secure the attendance of outsiders with relevant experience and expertise at its meetings, if it considers this necessary;

6. 委任代表

委員會成員不能委任代表。

7. 委員會的權力

7.1 委員會可以行使以下權力：

- (a) 在簽訂有關合同前，審閱所有候任董事及高級管理人員將會簽訂的服務合同及向本公司的人力資源部門就變更該等合同的條款提出建議；
- (b) 就執行董事及高級管理人員的薪酬、獎金及福利提供意見；
- (c) 在有證據顯示該董事及／或僱員失職時，要求董事會解僱有關僱員及／或召開股東大會（如有需要）罷免有關的董事；
- (d) 如委員會覺得有需要，可就涉及本職權範圍的事宜對外尋求法律或其他獨立專業意見，並由本公司支付有關費用，以及確保具相關經驗及專業才能的外界人士出席委員會會議；

- (e) to have access to sufficient resources in order to perform its duties;
- (f) to review annually these terms of reference and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary; and
- (g) to exercise such powers as the Committee may consider necessary and expedient so that their duties under section 7 below can be properly discharged.

7.2 The Company should provide the Committee sufficient resources to perform its duties.

8. Duties of the Committee

The duties of the Committee shall be:

- (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) either to determine, with delegated responsibility or 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;

- (e) 可取得足夠資源以履行其職務；
- (f) 對本職權範圍及履行其職權的有效性作每年一次的檢討並向董事會提出其認為須要的修訂建議；及
- (g) 為使委員會能恰當地執行其於第七章項下的職責，行使其認為有需要及權宜的權力。

7.2 本公司應提供充足資源予委員會以履行其職責。

8. 委員會的職責

委員會負責履行以下職責：

- (a) 就本公司董事及高級管理人員的全體薪酬政策及架構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；
- (b) 因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；
- (c) 獲董事會轉授責任釐定或向董事會建議個別執行董事及高級管理人員的薪酬待遇，此應包括非金錢利益、退休金權利及賠償金額（包括喪失或終止職務或委任的賠償）；

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| (d) to make recommendations to the Board on the remuneration of non-executive Directors; | (d) 就非執行董事的薪酬向董事會提出建議； |
| (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group; | (e) 考慮同類公司支付的薪酬、須付出的時間及職責以及集團內其他職位的僱用條件； |
| (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; | (f) 檢討及批准向執行董事及高級管理人員就其喪失或終止職務或委任所須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦須公平合理，不致過多； |
| (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; and | (g) 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排與合約條款一致；若未能與合約條款一致，有關賠償亦須合理適當；及 |
| (h) to ensure that no Director or any of his associates is involved in deciding his own remuneration. | (h) 確保任何董事或其任何連絡人不得參與釐定他自己的薪酬。 |

9. Minutes and reporting procedures

- 9.1 The secretary shall, at the beginning of each meeting, ascertain and record the existence of any conflicts of interest and minute them accordingly. The relevant member of the Committee shall not be counted towards the quorum and he must abstain from voting on any resolution of the Committee in which he or any of his associates has a material interest, unless the exceptions set out in note 1 to Appendix 3 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) apply.

9. 會議紀錄及彙報程序

- 9.1 秘書應在每次會議開始時查問是否有任何利益衝突並記錄在會議紀錄中。有關的委員會成員將不計入法定人數內，而相關委員就他或其任何連絡人有重大利益的委員會決議必須放棄投票，除非香港聯合交易所有限公司證券上市規則（「**上市規則**」）附錄三附注一適用。

9.2 Full minutes of Committee meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the company secretary). Draft and final versions of minutes of the Committee meetings should be sent to all Committee members for their comment and records within a reasonable time after the meeting (generally, meaning within 14 days after the meeting). Once the minutes are signed, the secretary shall circulate the minutes and reports of the Committee to all members of the Board.

9.3 The secretary of the Committee shall keep record of all meetings of the Committee held during each financial year of the Company and records of individual attendance of members of the Committee, on a named basis, at meetings held during that financial year.

10. Reporting responsibilities

The Committee shall report to the Board after each meeting.

11. Annual general meeting

The chairman of the Committee or in his absence, another member of the Committee or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to answer questions at the annual general meeting on the Committee's activities and their responsibilities.

9.2 委員會的完整會議紀錄應由正式委任的會議秘書(通常為公司秘書)保存。會議紀錄的初稿及最後定稿應在會議後一段合理時間(一般指委員會會議結束後的14天內)內先後發送委員會全體成員,初稿供成員表達意見,最後定稿作其紀錄之用。會議紀錄獲簽署後,秘書應將委員會的會議紀錄和報告傳閱予董事會所有成員。

9.3 委員會秘書應就本公司各財政年度內委員會所有會議之會議紀錄存檔,以及具名記錄每名成員於委員會會議的出席率。

10. 彙報責任

委員會應於每次委員會會議後向董事會作出彙報。

11. 股東周年大會

委員會的主席,或在委員會主席缺席時由另一名委員(或如該名委員未能出席,則其適當委任的代表)應出席本公司的股東周年大會,並就委員會的活動及其職責在股東周年大會上回應問題。

12. Continuing application of the articles of association of the Company

The articles of association of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

13. Powers of the Board

The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including the Corporate Governance Code set out in Appendix 14 to the Listing Rules or if adopted by the Company, the Company's own code of corporate governance practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments or supplements to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended, supplemented or revoked.

14. Publication of the terms of reference of the Committee

The Committee should make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the website of the Company and on the website of the Stock Exchange.

12. 本公司組織章程的持續適用

就前文未有作出規範，但本公司章程作出了規範的董事會會議程序的規定，在可行的情況下適用於委員會的會議程序。

13. 董事會權力

本職權範圍所有規則及委員會通過的決議，可以由董事會在不違反公司章程及上市規則的前提下（包括上市規則之附錄十四《企業管治守則》或公司自行制定的企業管治常規守則（如被採用）），隨時修訂、補充及廢除，惟有關修訂、補充及廢除，並不影響任何在有關行動作出前，委員會已經通過的決議或已採取的行動的有效性。

14. 委員會職權範圍的刊登

委員會應在本公司的網站及聯交所的網站公開其職權範圍，解釋其角色及董事會轉授予其的權力。

Adopted on 22nd day of June 2019
於2019年6月22日採納

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

註：本文件的中英文版本如有不一致之處，概以英文版本為準。