



**Chaoju Eye Care Holdings Limited**  
**朝聚眼科醫療控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 2219)**

**Terms of Reference of the Remuneration Committee of the Board  
of Chaoju Eye Care Holdings Limited**

**Chapter I General Rules**

**Article 1** In order to further establish a sound management system for appraisal and remuneration of directors and senior management members of Chaoju Eye Care Holdings Limited (the “**Company**”), and to improve the corporate governance structure of the Company, the board of directors of the Company (the “**Board**”) has established the remuneration committee (the “**Remuneration Committee**”) and promulgated these terms of reference in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), the Articles of Association of Chaoju Eye Care Holdings Limited (the “**Articles of Association**”) and other relevant regulations.

**Article 2** The Remuneration Committee is a specialized working body set up by the Board pursuant to the Articles of Association. It is mainly responsible for formulating the appraisal standards and conducting appraisal for the Company’s directors and senior management members, and setting up and reviewing the remuneration policy and plan for the Company’s directors and senior management members. The Remuneration Committee shall be accountable to and report to the Board.

**Article 3** For the purpose of these terms of reference, “remuneration” includes but not limited to all the salaries, bonuses, allowances, benefits (in cash or in kind), pension, compensation (including the compensation payable due to loss or termination of office or appointment), grant of options and shares.

**Article 4** For the purpose of these terms of reference, the directors refer to all directors of the Company, and the senior management refers to the Company’s general manager, deputy general manager, financial officers, company secretary, and other senior management recognized by the Board.

## **Chapter II Composition of the Remuneration Committee**

**Article 5** The Remuneration Committee shall be composed of at least three directors, the majority of which shall be independent non-executive directors. Members of the Remuneration Committee shall be subject to consideration and approval by the Board.

**Article 6** The Remuneration Committee shall have one chairman who shall be an independent non-executive director. The chairman shall be in charge of the work of the Remuneration Committee. He/she shall be nominated by the chairman of the Board and considered and approved by the Board. The main duties and powers of the chairman are as follows:

- (i) convening and presiding over regular and extraordinary meetings of the Remuneration Committee;
- (ii) determining the agenda of each meeting of the Remuneration Committee;
- (iii) signing important documents on behalf of the Remuneration Committee;
- (iv) ensuring the Remuneration Committee reaches clear and definite conclusions on each proposal discussed, which includes the decision to pass, reject or reconsider a proposal after additional materials are supplemented;
- (v) other duties and powers specified in these terms of reference or the relevant laws and regulations.

**Article 7** The terms of office of the members of the Remuneration Committee shall be in line with the terms of office of the directors. A member may serve consecutive terms if re-elected upon expiry of his/her term.

No committee members shall, before the expiration of his/her term of office, be removed from office without cause except for the circumstances in which dismissal is required as stipulated in the laws and regulations, the Hong Kong Listing Rules, the Articles of Association, or these terms of reference.

Meanwhile, if a committee member ceases to be a director of the Company or otherwise is unable to fulfill his/her duty as a director, such member shall be disqualified as a member automatically; or if any member who shall be an independent non-executive director no longer possesses such independence as required by relevant laws and regulations, the Hong Kong Listing Rules or the Articles of Association, the Board shall appoint a new member to fill the vacancy pursuant to Article 5 of these terms of reference.

### Chapter III Duties and Powers

**Article 8** The duties and powers of the Remuneration Committee are as follows:

- (i) advising the Board on the overall remuneration policy and framework for directors and senior management members, and the establishment of a standardized and transparent remuneration policy formulation procedures;
- (ii) formulating and advising the Board on the remuneration packages for directors and senior management members of the Company. In formulating the remuneration packages for directors and senior management members, factors to be considered by the Remuneration Committee include the Company's guidelines and targets, remuneration paid by comparable companies, the time invested and duties born by such directors and senior management members, employment conditions elsewhere within the Company, etc.;
- (iii) reviewing and approving the compensation payable for the loss or termination of the office or appointment of the executive directors and senior management members, and the compensation arrangements with regard to the dismissal or removal of directors due to their misconduct, to ensure the compensation shall be fair, reasonable and not excessive;
- (iv) examining assessment criteria, performance evaluation procedures, remuneration and rewards and punishment policies for directors and senior management members and submitting these policies and procedures for the Board's approval;
- (v) making recommendations to the Board on the remuneration packages of individual executive directors and senior management members, including benefits in kind, pension rights and compensation payments (such as any compensation payable for loss or termination of their office or appointment);
- (vi) making recommendations to the Board on the remuneration of non-executive directors;
- (vii) examining the performance of duties by directors and senior management members and conducting performance appraisals and evaluations;
- (viii) ensuring that no director or any of his/her associates (as required by the Hong Kong Listing Rules) is involved in deciding his/her remuneration;
- (ix) studying and advising on the Company's equity incentive plan at the request of the chairman of the Board;

- (x) reporting to the Board on its decisions or recommendations, unless otherwise restricted by laws or regulations;
- (xi) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules;
- (xii) other matters authorized by the Board; and
- (xiii) other relevant requirements for duties and powers of the Remuneration Committee according to the Hong Kong Listing Rules, as amended from time to time.

**Article 9** A significant proportion of executive directors' remuneration should be link to the corporate and individual performance.

The Remuneration Committee should consult the chairman of the Board and/or general manager about their remuneration proposals for other executive directors. The Remuneration Committee should have access to independent professional advices if necessary.

**Article 10** The Remuneration Committee shall be accountable to the Board. Any proposal made by the Remuneration Committee shall be submitted to the Board for their consideration and approval unless otherwise authorized by the Board.

**Article 11** The remuneration plan of directors of the Company proposed by the Remuneration Committee shall be approved by the Board, and shall not be implemented until the plan is considered and approved at the general meeting. The remuneration distribution plan of senior management of the Company shall be subject to the Board's approval.

**Article 12** The Board shall have right to veto the remuneration plan which is in violation of the laws and regulations or against the shareholders' interests.

**Article 13** The Remuneration Committee shall be provided with sufficient resources to perform its duties and responsibilities. If necessary, the committee may engage intermediate agencies to provide independent professional opinions on its decisions. The expenses arising therefrom shall be borne by the Company.

**Article 14** At the invitation of the chairman of the Board, the chairman of the Remuneration Committee, or in his/her absence, another member or his/her authorized representative, shall attend and answer questions at the Company's annual general meetings.

**Article 15** The Remuneration Committee shall make available its terms of reference on The Stock Exchange of Hong Kong Limited's website and the Company's website, explaining its role and its authority which the Board has delegated, in accordance with the relevant requirements under the Hong Kong Listing Rules.

**Article 16** The Company should disclose details of any remuneration payable to senior management members by band in its annual reports.

## Chapter IV Working Procedures

**Article 17** The department of integrated management of the Company shall act as the supporting and liaison department of the Remuneration Committee. It prepares and provides documents and information as required by the Remuneration Committee. The department of securities affairs assists the department of integrated management in preparing meeting notices, meeting resolutions and other documents to ensure that relevant meeting agendas and documents fulfill the requirements of the laws, regulations and listing rules. The company secretary, in attendance at meetings of the Remuneration Committee, is responsible for ensuring that the agendas and resolutions of the meetings fulfill the requirements of the laws, regulations and listing rules.

**Article 18** The department of integrated management of the Company is primarily responsible for the preliminary preparations for the Remuneration Committee's decision-making; and providing complete and truthful written materials in a timely manner as required by the Remuneration Committee, including:

- (i) the Company's fulfillment of its major financial indicators and operation targets;
- (ii) division of labor among the Company's senior management members and their main duties;
- (iii) performance of the directors and senior management members in meeting the targets of the performance appraisal system;
- (iv) relevance measurement basis for formulating the remuneration plan and distribution method of the Company in accordance with the results of the Company.

**Article 19** The evaluation procedures of the Remuneration Committee on the directors and senior management members are as below:

- (i) the directors and senior management members of the Company shall report their work to the Remuneration Committee and perform self-assessment;
- (ii) the Remuneration Committee shall conduct performance appraisal on the directors and senior management members in accordance with the performance appraisal standards and procedures;
- (iii) the evaluation of the innovation ability and business potential of the directors and senior management members.

**Article 20** The Remuneration Committee shall propose the remuneration amount and forms of reward for the directors and senior management members based on the performance appraisal results and remuneration distribution policies, and the resolution of which shall be submitted to the Board of the Company after being approved.

## Chapter V Rules of Procedures

**Article 21** The Remuneration Committee shall hold at least one regular meeting once a year.

**Article 22** The Remuneration Committee shall hold an extraordinary meeting upon the proposal of the chairman of the Remuneration Committee, two or more members of the Remuneration Committee, the Board, or the chairman of the Board.

**Article 23** The meetings of Remuneration Committee shall be convened by giving three days' prior notice to all members of the Remuneration Committee by the department of securities affairs together with relevant materials. In case of any emergency for which a meeting needs to be convened by the Remuneration Committee as soon as possible, the notice of the meeting may be given by telephone, facsimile or email on that day, provided the chairman of the Remuneration Committee makes an explanatory statement at the meeting.

**Article 24** The meetings of the Remuneration Committee shall be presided over by the chairman or, if he/she fails to attend, a committee member (being an independent non-executive director) may be appointed as a proxy to preside on his/her behalf.

**Article 25** The meetings of the Remuneration Committee shall be attended by at least two-thirds of the members. Members of the Remuneration Committee shall attend the meetings in person or by conference call or via similar communication devices. Any member who is unable to attend the meeting for any reason may appoint another member to attend on his/her behalf by a form of proxy specifying the scope of authorization.

**Article 26** The Remuneration Committee may invite relevant personnel of the Company to sit in a meeting if necessary.

**Article 27** The Remuneration Committee shall vote by show of hands and each member shall have one vote. Resolutions of the meetings shall be passed by a majority of the committee members.

**Article 28** An extraordinary meeting of the Remuneration Committee may be convened by written means. The written resolutions shall be dispatched to all committee members by facsimile, courier or by hand, and returned in original copies to the Company for archiving after voting by the members. A proposal signed by such number of members required hereunder shall become an effective resolution of the Remuneration Committee.

**Article 29** Where a member of the Remuneration Committee is involved in the matter being discussed at a meeting of the Remuneration Committee or a vote is taken thereon, he/she shall be abstained from attending such meeting.

**Article 30** The convening procedures and voting methods of and resolutions passed at the Remuneration Committee meetings shall comply with the provisions under relevant laws and regulations, the Hong Kong Listing Rules, the Articles of Association, and these terms of reference.

**Article 31** Resolution passed at the meeting of the Remuneration Committee and any vote results shall be reported to the Board of the Company in writing.

**Article 32** Each person participating in the meeting of the Remuneration Committee shall undertake confidentiality obligation for matters discussed at the meeting and shall not disclose any information in relation to the meeting unless authorized by the chairman of the Board of the Company or the Board.

**Article 33** The supporting and liaison department of the Remuneration Committee shall record minutes in full. Members who attend the meeting shall sign on the minutes. The supporting and liaison department shall submit the minutes to the company secretary for filing for the inspection of directors at any time.

## **Chapter VI Supplementary Provisions**

**Article 34** Unless otherwise specified, the terms used herein shall have the same meanings ascribed thereto under the Articles of Association.

**Article 35** For those matters not covered by these terms of reference or in the event that these terms of reference are inconsistent with the laws, regulations, Hong Kong Listing Rules currently in force or as promulgated or amended from time to time, or the Articles of Association which are formulated or revised by lawful procedures, after these terms of reference become effective, such laws, regulations, Hong Kong Listing Rules or the Articles of Association shall prevail and these terms of reference shall be amended forthwith and submitted to the Board of the Company for consideration and approval.

**Article 36** These terms of reference were considered and approved by the meetings of the Board of the Company and shall become effective on the date of the listing and dealing of the shares issued by the Company on The Stock Exchange of Hong Kong Limited.

**Article 37** The right of interpretation of these terms of reference shall be vested to the Board of the Company.