

**LEVER STYLE CORPORATION**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 1346)**  
**(“Company”)**

**REMUNERATION COMMITTEE (the “Committee”) –  
TERMS OF REFERENCE**

The Committee is established pursuant to a resolution passed by the board of directors of the Company (the “**Board**”) at its meeting held on 12 October 2019.

**1. MEMBERSHIP**

- 1.1. The Committee shall consist of at least 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. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 1.3. 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.
- 1.4. Each member shall disclose to the Committee:
  - (i) any personal financial interest (other than as a shareholder of the Company) of such member and his immediate family members as defined in rule 14A.12(1)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) 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 at least 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 the Committee meetings; 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. Resolutions of the Committee at any meetings shall be passed by a majority of votes of the members of the Committee present. With consent by all members of the Committee, resolutions of the Committee could be passed by written resolutions.

### 3. AUTHORITY

- 3.1. The authorities of the Committee shall include such authorities set out in the relevant code provisions of the Corporate Governance Code and Corporate Governance Report (the “**Corporate Governance Code and Corporate Governance Report**”) as contained in the Listing Rules (as amended from time to time).
- 3.2. The Committee is authorized by the Board to seek any information it requires from the management of the Company in order to perform its duties.
- 3.3. The Committee is authorized by the Board to obtain any independent professional advice, at the Company’s expense, from any person if it considers necessary to perform its duties.

- 3.4. Management of the Company is obliged to supply the Committee with adequate information in a timely manner, in order to enable it to make informed decisions. The information supplied must be complete and reliable. Where a member of the Committee requires more information than the information provided voluntarily by the management of the Company, the relevant member of the Committee should make additional necessary enquiries. Each member of the Committee shall have separate and independent access to the management of the Company.
- 3.5. The Committee is to be provided with sufficient resources to discharge its duties.
- 3.6. The Committee shall consult the chairman of the Board and/or the chief executive officer of the Company about its proposals relating to the remuneration of other executive directors.

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

The Committee shall:

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

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.

## **5. REPORTING PROCEDURES**

- 5.1. Full minutes of the meetings of the Committee should be kept by the secretary of the Company, which should record in sufficient detail the matters considered and decisions reached, including any concerns raised by Committee members or dissenting views expressed. 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.
- 5.2. The secretary of the Committee shall circulate the minutes of meetings of the Committee to all members of the Board.
- 5.3. The Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless prohibited by applicable laws and regulations.

## **6. ANNUAL GENERAL MEETINGS**

The chairman of the Committee, or in his/her absence, another member of the Committee, or failing which his/her duly appointed alternate shall attend the annual general meetings of the Company and be available to answer questions thereat on the Committee's activities and its responsibilities.

## **7. INTERPRETATION**

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

## **8. AVAILABILITY**

- (a) These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements in Hong Kong; and
- (b) These terms of reference or its updated and revised versions should be published on the website of the Company and the website of The Stock Exchange of Hong Kong Limited.

## **9. MISCELLANEOUS**

In case of any inconsistency between the English version and the Chinese version, the English version shall prevail.