

# **Optima Automobile Group Holdings Limited**

## **傲迪瑪汽車集團控股有限公司**

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

**(Stock Code: 8418)**

**(the “Company”)**

### **Terms of reference of the Remuneration Committee (the “Committee”) of the Board (the “Board”) of Directors (the “Directors”) of the Company**

**(Adopted on 18 September 2019)**

#### **1. CONSTITUTION**

The Committee is established pursuant to the resolutions of the Board dated 18 September 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.

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.

2.5 The terms of appointment to Committee members should be determined by the Board at the appointment date.

#### **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.

- (b) A Committee member may and, on the request of a Committee member, the secretary of 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 purpose time and venue 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.

**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 that 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/her own remuneration.

**3.6** Upon the invitation from the Committee, the chairman or chairlady of the Board and/or the general manager or the chief executive officer, the chief financial officer, external advisor and/or other persons can be invited to attend all or part of any meeting.

#### **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/her own remuneration.
- 5.3 The Committee should consult the chairman and/or chief executive about their remuneration proposals for other executive Directors. The Committee should have access to independent professional advice if necessary.

## **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;
  - (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 8 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;
- (d) to make recommendations to the Board on the remuneration of non-executive Directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- (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;
- (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;
- (h) to ensure that no Director or any of his associates is involved in deciding his own remuneration; and
- (i) to review performance-based remuneration.

## 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 5 to Appendix 3 to the Rules (the "**GEM Listing Rules**") Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") apply.

- 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/her 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.

## **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 GEM Listing Rules (including the Corporate Governance Code set out in Appendix 15 to the GEM 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.