



Blue Moon Group Holdings Limited

藍月亮集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6993)

(the “Company”)

Terms of Reference of the Remuneration Committee

1 Formation

The Remuneration Committee (the “**Committee**”) is a sub-committee of the board of directors of the Company (the “**Board**”) to assist the Board in relation to the matters set out in paragraph 4.

2 Structure and administration

2.1 Composition

2.1.1 The Committee will consist of at least three members appointed by the Board.

2.1.2 A majority of the members of the Committee should be independent non-executive directors.

2.2 Chairman

The Board will appoint the chairman of the Committee who will be an independent non-executive director. In the absence of a chairman and/or an appointed deputy at any meeting, the Committee will elect one of its members who is an independent non-executive director present to act as chairman. The chairman of the Committee (or if the chairman is unable to attend, another member of the Committee or the member’s duly authorized representative if the member fails to attend) should attend the annual general meeting to answer shareholder questions on the Committee’s activities.

2.3 Secretary

The company secretary of the Company or his/her nominee will be the secretary of the Committee.

2.4 Meetings

- 2.4.1 The Committee will meet at least once a year. Additional meetings may be held at the request of any member of the Committee. The secretary will call meetings.
- 2.4.2 Unless otherwise provided in these terms of reference, proceedings of meetings of the Committee will be governed by articles 111 to 120 of the articles of association of the Company (as amended from time to time).
- 2.4.3 Two members will constitute a quorum.
- 2.4.4 Decisions of the Committee will be determined by a majority of votes and, in the event of a tie, the chairman of the Committee will have the casting vote.
- 2.4.5 The secretary will take and keep minutes of meetings of the Committee. Draft and final minutes of meetings of the Committee will be sent to all members for their comment and records within a reasonable time after the meeting. Minutes of all meetings of the Committee will also be sent to other members of the Board at the same time when they are sent to members.

2.5 Report

The Committee will report to the Board and will, where appropriate, consult with the chairman of the Board.

3 Authority

- 3.1 The Committee will investigate any activity within its terms of reference.
- 3.2 The Committee is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- 3.3 The Committee is authorised to have access to sufficient resources to perform its duties and, where necessary, to obtain independent professional advice at the Company's expense, to perform its responsibilities. The Committee is authorised to approve all related fees reasonably incurred and terms of engagement of professional advisers.

4 Areas of responsibilities

4.1 The Committee will:

- (i) formulate, for the approval of the Board, the Company's remuneration policy and structure for all directors' and senior management's remuneration and establish a formal and transparent procedure for developing remuneration policy;
- (ii) either (a) determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management; or (b) recommend to the Board on the remuneration packages of individual executive directors and senior management. The remuneration package should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment. Factors which should be taken into consideration include salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- (iii) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (iv) recommend to the Board the remuneration of non-executive directors;
- (v) 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;
- (vi) 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;
- (vii) ensure that no director or any of his associates is involved in deciding his own remuneration;
- (viii) consult the chairman of the Board and/or the chief executive about the Committee's remuneration proposals for other executive directors.
- (ix) advise shareholders on how to vote with respect to any service contracts of directors that require shareholders' approval;
- (x) review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (as applicable);
- (xi) review from time to time these terms of reference and recommend to the Board any necessary changes; and
- (xii) consider matters outside these terms of reference when requested by the Board.

5 Terms available

5.1 The Committee shall make these terms of reference available on request and by including them on the websites of the Company (www.bluemoon.com.cn) and the Stock Exchange (www.hkexnews.hk) in order to explain its role and authority delegated to it by the Board.