

MINDTELL TECHNOLOGY LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8611)

(the “**Company**” and together with its subsidiaries, the “**Group**”)

THE REMUNERATION COMMITTEE TERMS OF REFERENCE

These terms of reference of the Remuneration Committee of the Company (the “**Committee**”) have been prepared based on the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”, “**GEM**” and the “**Exchange**” respectively).

Composition

1. The Committee is established by the board of directors (the “**Board**”) of the Company (the “**Directors**”) according to the articles of association of the Company (the “**Articles of Association**”) and the establishment would be effective from the date on which the shares of the Company are listed on GEM.

Members

2. The Committee members must be appointed by the Board and shall consist of not less than three members. The majority of the members must be independent non-executive Directors (the “**INEDs**”).
3. The Chairman of the Committee shall be appointed by the Board and must be an INED.
4. Subject to Rules 2 and 3 above, the Board may, from time to time, at their discretion, change the composition of the members of the Committee. An appointment of a member of the Committee shall be automatically revoked if such member ceases to be a member of the Board.

Secretary

5. The Committee may appoint the company secretary of the Company or any other person with appropriate qualification and experience as the secretary of the Committee. Full minutes of the meetings should be kept by the secretary.

Frequency and proceedings of meetings

6. The Committee shall meet at least once a year. Additional meetings should be held as and when the work of the Committee demands.

7. The quorum of a meeting shall be two members of the Committee, one of whom must be an INED.
8. A member of the Committee must abstain from voting and must not be counted in the quorum of a meeting in respect of the resolution regarding the remuneration payable to himself or herself.
9. The Committee members could attend the meetings in person, by telephone or by video conference.
10. Resolutions of the Committee shall be passed by more than half of the members of the Committee.
11. A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.
12. Unless otherwise stated herein, proceedings of meeting of the Committee shall be governed by the relevant provisions of the Articles of Association regulating the meetings and proceedings of Directors (as amended from time to time).
13. The Committee should consult the chairman of the Board and/or chief executive about their remuneration proposals for other executive Directors.

Authority

14. All members of the Committee can have access to the advice and services of the secretary who is responsible to the Committee for ensuring that procedures of the Committee and all applicable rules and regulations are followed.
15. The Committee shall be provided with sufficient resources to perform its duties and may seek independent professional advice upon reasonable request at the Company's expenses to perform its duties.
16. The Committee is authorised by the Board to investigate any activity within its terms of reference and seek any necessary information which is within its scope of duties from the employees of the Company and its subsidiaries (including the members of the Board).

Duties

17. Main duties of the Committee should include:–
 - (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) 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 the compensation payable to executive Directors and senior management for any loss or termination of their 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 such arrangements are consistent with contractual terms and are otherwise reasonable and appropriate;
- (h) to ensure that no Directors or any of his or her associates is involved in deciding his or her own remuneration;
- (i) to form a view in respect of service contracts of Directors that require shareholders' approval and to advise shareholders of the Company (other than shareholders who are Directors with a material interest in the service contracts and their associates) with respect to any service contracts of Directors that require shareholders' approval under the GEM Listing Rules as to whether the terms are fair and reasonable and whether such contracts are in the interests of the Company and its shareholders as a whole and advise shareholders on how to vote. An INED who has a material interest in any such contracts shall not sit on the independent board committee; and
- (j) to review and/or approve matters relating to share schemes of the Company under Chapter 23 of the GEM Listing Rules.

Reporting Procedures

18. The Committee should report to the Board, identify any matters in respect of which it considers that action or improvement is needed, and make recommendations as to the steps to be taken.

19. Full minutes and written resolutions should be kept by the secretary of the Committee. Draft and final versions of minutes of the meetings should be sent to all Committee members for their comments and records, within a reasonable time after the meeting. Written resolutions should be promptly sent to all Committee members for their records after the written resolutions are passed.
20. At the next meeting of the Board following a meeting of the Committee, the Chairman of the Committee shall report to the Board on the works and recommendations of the Committee since the last Board meeting (if any). The Committee should present a report in writing to the Board at least once annually which addresses the work of the Committee during the year.

Others

21. The Company should disclose details of any remuneration payable to members of senior management in its annual reports.
22. When the Committee considers the executive Directors' remuneration, a significant proportion of which should make reference to the corporate and individual performance.
23. 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 Exchange's website and the Company's website.
24. Any changes to the terms of reference shall be effective after they have been approved by the Board.

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Revised on: 28 February 2023