



Crypto Flow

Crypto Flow Technology Limited

加幂科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8198)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

1. Membership

- 1.1 The remuneration committee (the “**Committee**”) shall be appointed by the board of directors (the “**Board**”) from amongst the directors of Crypto Flow Technology Limited (the “**Company**”) and shall consist of not less than three members (the “**Committee Members**”), with at least two independent non-executive directors (“**INEDs**”).
- 1.2 A majority of the Committee Members shall be INEDs.
- 1.3 The chairman of the Committee shall be appointed by the Board and shall be an INED.
- 1.4 Committee Members, if so appointed by the Board, may serve on the Committee for successive terms.

2. Secretary

- 2.1 The company secretary shall also be the secretary of the Committee.
- 2.2 The secretary shall keep proper minutes of the meetings of the committee and co-ordinate with the activities of the Board and other Committee(s) of the Board.
- 2.3 Minutes signed by all the Committee Members shall be valid as if a meeting has been properly convened and held.

3. Quorum at Meetings

- 3.1 The quorum necessary for the transaction of business at a meeting of the Committee shall be two (2).
- 3.2 Proxy is not allowed at meetings of the Committee.

4. Meetings

- 4.1 The Committee regulates the frequency of its meetings as it thinks fit.
- 4.2 The Committee shall meet at least once a year. Additional meetings of the Committee may be held as and when required.
- 4.3 Committee meetings shall be summoned by the Secretary of the Committee, or at the request of any of its members.
- 4.4 Committee Members may participate in any meeting of the Committee by means of a conference or other electronic equipment as long as all participants in the meeting can communicate simultaneously with each other.
- 4.5 The Chairman and/or the Chief Executive Officer may be invited to sit in such meetings to give relevant background information as the Committee thinks fit.
- 4.6 Two (2) clear days' notice is required for meetings, unless all members of the Committee agree to shorter notice.
- 4.7 The Chairman of the Committee shall chair the meetings of the Committee.
- 4.8 Should the Chairman be absent from a Committee meeting and there are more than one INED in the meeting, they shall choose one among themselves to be the chairman of the meeting. Should there be only one INED present, that INED shall be the chairman of that meeting. Should there be no INED present; the NEDs shall choose one from themselves to be the chairman of that meeting.
- 4.9 Questions arising at any Committee meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

5. Annual General Meeting

The chairman of the Committee or in his absence, another Committee Member or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to shareholder's questions at the annual general meeting on the Committee's activities and their responsibilities.

6. Authority

- 6.1 The Committee should consult the chairman of the Board and/or chief executive about their remuneration proposals relating to the remuneration of other executive directors and senior management.
- 6.2 The Committee is authorised by the Board to seek any remuneration related information it requires from senior management of the Company in order to perform its duties.
- 6.3 The Committee is authorised by the Board where necessary to access to outside legal or other independent professional advice at the Company's expense.

- 6.4 The Committee shall be provided with sufficient resources by the Company to perform its duties.

7. Duties

The duties of the Committee shall be determined as the Board delegates:-

- 7.1 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.
- 7.2 To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.
- 7.3 either:-
- (i) To determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management; or
 - (ii) 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.

- 7.4 To make recommendations to the Board on the remuneration of non-executive directors.
- 7.5 To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries.
- 7.6 In determining such policy, also take into account all factors which it deems necessary. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentive to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company.
- 7.7 To review the ongoing appropriateness and relevance of the remuneration policy.
- 7.8 To review and approve compensation payable to executive directors and senior management for any loss or termination of offices or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive.
- 7.9 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.
- 7.10 To ensure that no director or any of his associates is involved in deciding his own remuneration.

7.11 In determining such packages and arrangements, the Committee shall give due regard to any relevant legal requirements, Code(s) and the GEM Listing Rules.

7.12 To review and/or approve matters relating to share schemes under Chapter 23 of the GEM Listing Rules.

8. Reporting Responsibilities

8.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

8.2 The Committee shall make whatever recommendations to the Board it deems appropriate in any area within its ambit where action or improvement is needed.

– END –

(Revised in March 2023)