

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



BoardWare

BoardWare Intelligence Technology Limited
博維智慧科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1204)

(the “Company”)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

In compliance with the code provisions of the Corporate Governance Code issued by the The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), a Remuneration Committee needs to be established with the terms of reference (the “**Terms of Reference**”) as set out and adopted herein.

1. Constitution

- 1.1 The board (the “**Board**”) of directors (the “**Directors**”) of the Company has resolved at its meeting held on 20 June 2022 to establish the remuneration committee of the Board (the “**Committee**”).
- 1.2 Subject to the regulations contained in the Companies Act of the Cayman Islands, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the articles of association of the Company (the “**Articles**”), the procedures of the Committee shall be regulated by the provisions set out in these Terms of Reference.

2. Objective

- 2.1 The main objective of the Committee is to regularly make recommendations to the Board on the Company’s policy and structure for the remuneration of all Directors’ and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy. The Committee is accountable to the Board.

3. Composition

- 3.1 Committee members (the “**Member(s)**”) shall be appointed by the Board from time to time amongst the Directors and shall consist of not less than three Members, a majority of whom shall be independent non-executive Directors.
- 3.2 If any Member ceases to be a Director, he/she will cease to be a Member automatically. The vacancy will be filled by appointment of new Member by the Board.
- 3.3 The chairman of the Committee (the “**Chairman**”) shall be appointed by the Board and shall be an independent non-executive Director.
- 3.4 The appointment of the Members may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board. For the avoidance of doubts, the Members may be removed from the Committee by the Board at its sole and absolute discretion.
- 3.5 Each Member shall disclose to the Committee:
 - (a) any personal financial interest (other than as a shareholder of the Company) in any matter to be decided by the Committee; or
 - (b) 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.

- 3.6 The composition of the Committee shall comply with the requirements of the Listing Rules as amended from time to time.

4. Secretary

- 4.1 Save as otherwise appointed by the Committee, the secretary to the Committee (the “**Committee Secretary**”) shall be the Company Secretary to the Company, and in the absence of the Company Secretary, any such other person as may from time to time be nominated by the Company Secretary, subject to the approval of the Committee, shall act as the Committee Secretary.

5. Authority

- 5.1 The Committee is authorised by the Board to determine the remuneration payable to executive Directors and members of senior management of the Company, the emolument policies and the basis for determining such emoluments. It shall report directly to the Board.
- 5.2 The Committee is authorised and encouraged by the Board to obtain external independent professional advice from reputable recognized advisors, at the Company's expense, and to secure the attendance of such external advisors with relevant experience and expertise. The Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external remuneration consultant who advises the Committee.
- 5.3 The Committee shall consult the chairman and/or chief executive officer of the Company about their proposals relating to the remuneration of other executive Directors and senior management of the Company.
- 5.4 The Committee shall be provided with sufficient resources to discharge its duties, including but not limited to obtaining independent professional advice at the expense of the Company.

6. Duties

- 6.1 The duties of the Committee shall include the following aspects:
 - (a) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's 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:
 - (i) to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management of the Company; or
 - (ii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management of the Company.

This should, cover bonus, 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 Company and its subsidiaries (the “**Group**”). The Committee shall also ensure that the levels of remuneration should be sufficient to attract and retain the Directors needed to run the Company successfully but should avoid paying more than is necessary for this purpose;
- (f) to review and approve compensation payable to 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) 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 determine the criteria for assessing employee performance, which should reflect the Company’s business objectives and targets;
- (i) to ensure that no Director or any of his/her associates (as defined in the Listing Rules) is involved in deciding his/her own remuneration;
- (j) advise shareholders on how to vote with respect to any service contracts of the Group’s directors which require shareholders’ approval under Rule 13.68 of the Listing Rules;
- (k) confirm to any requirement, direction and regulation that may from time to time be contained in the memorandum and articles of association of the Company or imposed by the Listing Rules or applicable law; and
- (l) do any such things to enable the Committee to perform its duties and functions conferred on it by the Board.

- 6.2 In carrying out its duties under these terms of references, the Committee should:
- (a) consult the chairman of the Board about their remuneration proposals for other executive Directors and senior management and to consult independent professional advice, if necessary;
 - (b) provide competitive packages needed to attract, retain and motivate executive Directors and senior management of the quality required in line with market practices;
 - (c) judge where to position the Group relative to other companies in the industry in which the Group operates. The Committee should be aware what comparable companies are paying and should take account of relative performance;
 - (d) be sensitive to market practice, including pay and employment conditions within the Group and elsewhere in the industry in which the Group operates, especially when determining annual salary increase;
 - (e) ensure that the performance-related elements of remuneration from a significant proportion of the total remuneration package of executive Directors and senior management and are designed to align their interests with those of the shareholders and to give the Directors and senior management incentives to perform at highest levels; and
 - (f) ensure that share options offered by the Company and its Directors or senior management (if any) are in accordance with the Listing Rules or the employees incentive schemes are in compliance with applicable laws and regulations, as applicable.
- 6.3 Without prejudice to the generality of these terms of reference of the Committee set out above, the Committee shall:
- (g) operate the Company's share option scheme or other incentive scheme as they apply to, and recommend to the general meeting(s) of shareholders, grants of options to be made to Directors and senior management. It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to individuals to be at the discretion of the Board) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);

- (h) liaise with the trustee of any employee share incentive scheme which is created by the Company for the benefit of employees, senior management or Directors;
- (i) review the terms of executive Directors' and senior managements' appointment letters from time to time; and
- (j) advise the Board in relation to the preparation of the Board's remuneration report (if any) to the shareholders.

7. Frequency and Proceedings of Meetings

7.1 The Committee shall meet at least once a year or more frequently if circumstances require. The Chairman may convene additional Committee meetings at his/her discretion.

7.2 Notice of Meeting

- (a) Unless otherwise agreed by all Committee members, a meeting shall be convened by at least seven days' notice. If a Committee meeting is called by a shorter notice, it shall be deemed to have been duly called if it is so agreed by a majority of the Committee members, and a Committee member who attends such a meeting shall deem to agree to the shorter notice.
- (b) Notice of meeting may be given either orally or in writing by way of telephone, facsimile or other electronic means.
- (c) Notice of meeting shall specify the time and place of the Committee meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the Members for the purposes of the meeting. Such agenda and other documents shall be provided to the Members in a timely manner and at least three days (or such other period as agreed by the Committee members) before the meeting.

7.3 A quorum of the Committee meeting shall be two Members.

7.4 Committee meetings may be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment provided that all persons participating in such meeting is capable of hearing each other.

- 7.5 The Committee could invite any executive Directors, external advisers or other individuals to attend the meetings but such executive Directors, advisers or individuals are not entitled to vote at the meetings.
- 7.6 Resolutions of the Committee at any meetings shall be passed by a majority of votes.
- 7.7 The Chairman (or in his/her absence, a Committee member designated by the Chairman) shall preside at all meetings of the Committee. The Chairman shall be responsible for leading the Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.
- 7.8 Except for provided herein, proceedings of the Committee meetings shall be governed by the provisions contained in the Articles.

8. Written Resolutions

- 8.1 Written resolutions signed by all Members shall be valid and effectual as if they have been passed at the Committee meeting duly convened and held. Any such resolution may be contained in a single document or may consist of several documents all in like form.

9. Access

- 9.1 The Committee should have full access to management and may invite members of management and others to attend its meetings.

10. Reporting Procedures

- 10.1 The Committee Secretary shall record in sufficient details the matters considered by the Committee and the decisions reached, including any concerns raised by the Members or dissenting views expressed. Draft and final versions of the minutes of the Committee meetings, or as the case may be, written resolutions of the Committee, shall be circulated to all Members for their comment and records respectively within a reasonable time after the meeting or before the passing of the written resolutions.
- 10.2 Full minutes of the Committee meetings and all written resolutions of the Committee, together with the record of individual attendance at such Committee meetings, shall be kept by the Committee Secretary. Board and Members are entitled to have access to the minutes and written resolutions of the Committee.

10.3 The Committee shall report their findings and recommendations to the Board after each Committee meeting or the passing of the written resolutions.

11. Annual General Meeting

11.1 The Chairman or in his/her absence, another Committee member or failing this, the duly appointed delegate of the Chairman, shall attend the Company's annual general meeting to answer shareholders' questions on the Committee activities.

12. Powers of the Board

12.1 The Board may, subject to compliance with the Articles and the Listing Rules, amend, supplement and revoke these Terms of Reference.

12.2 The power to interpret these Terms of Reference shall vest in the Board.

13. Update and Publication of these Terms of Reference

13.1 These Terms of Reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements (e.g. the Listing Rules) in Hong Kong. These Terms of Reference shall be made available to the public by including the information on the Company's website at www.boardware.com and the Stock Exchange's website at www.hkexnews.hk.