



奥威控股
AOWEI HOLDING LIMITED

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奥威控股有限公司

(incorporated in the British Virgin Islands and continued in the Caymans Islands with limited liability)

(Stock Code: 1370)

(the “Company”)

Terms of Reference of Remuneration Committee

**Revised and Approved by the Board of Directors of the Company on
28 December 2022**

1. Constitution

The board (“**Board**”) of directors (“**Directors**”) of the Company has resolved to set up a remuneration committee of the Board (“**Committee**”).

2. Objective

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 The Committee shall comprise three Directors. The majority of the Members shall be independent non-executive Directors.

3.2 Members of the Committee shall be nominated by the chairman of the Board, more than one-half of the independent non-executive Directors or more than one-third of all Directors, subject to election by the Board.

3.3 The chairman of the Committee shall be appointed by the Board and shall be an independent non-executive Director.

3.4 Members of the Committee shall have the same term of office as their directorship and the term of office is renewable upon re-election. If members no longer act as Directors or independent non-executive Directors due to resignation or other reasons, they shall automatically lose their office as members from the date when they no longer act as Directors or independent non-executive Directors. The Board shall arrange for replacements to fill the vacancies in accordance with the articles of association of the Company and these terms of reference.

3.5 Where the number of members of the Committee is less than two-thirds of the required number of members of the Committee due to the resignation or removal of members or other reasons, the Board shall arrange for replacements to fill the vacancies in a timely manner. The Committee shall suspend any exercise of duties and powers stipulated by these terms of reference before the number of members of the Committee reaches two-thirds of the required number of members of the Committee.

4. Secretary

4.1 Save as otherwise appointed by the Committee, the secretary to the Committee shall be the company secretary of the Company.

4.2 The Committee may appoint the company secretary to handle the following routine affairs:

- (a) distribute an agenda and related materials of the meeting to the members of the Committee 5 days prior to the convening of meetings;
- (b) maintain minutes of meeting, sort out opinions of all members attending the meeting and deliver minutes to them for signing; and
- (c) distribute draft and final versions of minutes of meeting to members of the Committee within 14 days upon conclusion of the meeting for their comments. The full minutes shall be maintained properly by the company secretary.

5. Powers

5.1 The Committee is authorized by the Board to review, assess, approve and make recommendations upon any issue within its scope of powers.

5.2 The Committee is to be provided with adequate resources to perform its functions. Should such a need arises when performing its duties, the Committee may seek independent professional advice for its decision making from intermediaries at the expense of the Company.

6. Duties and Functions

6.1 The duties of the Committee are as follows:

- (a) 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, including non-monetary benefits, pension and compensation (including compensation for the loss of office or appointment), and consult the chairman of the Board and/or the Company's chief executive (whoever is appropriate) in respect of recommendations on the remuneration of the Company's chief executive and/or senior management;
- (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) 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;
- (i) to review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"); and
- (j) conform 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.

7. Frequency and Proceedings of Meetings

- 7.1 There shall be at least one meeting of the Committee annually. If required, extraordinary meeting could be convened. The chairman of the Committee may decide to convene interim meetings at his/her discretion.
- 7.2 Meetings of the Committee shall include regular meetings and interim meetings. Regular meetings shall be convened once a year within six months upon conclusion of the previous accounting year. Interim meetings shall be convened upon proposal by the Board, the chairman of the Committee or more than two members of the Committee.
- 7.3 Regular and interim meetings of the Committee may be convened in the on-site form or by off-site means of communication.
- 7.4 Notice of regular meetings of the Committee shall be dispatched five days prior to the meeting whereas notice of interim meetings shall be dispatched three days before the meeting.

- 7.5 Meetings shall be presided over by the chairman of the Committee and the chairman, if unable to attend, may appoint another member who is an independent non-executive Director to preside over the meeting.
- 7.6 Meetings of the Committee shall be held by more than two-thirds of the members attending the meeting. Each member of the Committee has one voting right. Resolutions adopted at the meetings shall take effect upon approval by more than one-half of all members (including those members who have not attended the meeting in person).
- 7.7 The Committee shall vote on a registered show of hands at the meetings. At interim meetings, the Committee may vote by facsimile or telephone and resolutions shall be adopted by facsimile at which members attending the meeting shall sign provided that members may fully express their opinions. If voting by other means of communication is adopted, members of the Committee who have signed the meeting resolutions shall be deemed to have attended the relevant meeting and have agreed to the contents of the resolutions.
- 7.8 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.
- 7.9 Members attending the meeting shall maintain the confidentiality of all matters discussed at the meeting. Unauthorized disclosure of the relevant information shall be prohibited.
- 7.10 Where an agenda relating to a member is to be discussed at the meeting of the Committee, such related member shall abstain from the meeting.
- 7.11 The meeting concerned shall be held by more than one-half of the unrelated members attending the meeting and resolutions adopted shall be passed by more than one-half of the unrelated members. Where the number of unrelated members attending the meeting falls below one-half of the total number of unrelated members of the Committee, such an agenda shall be submitted to the Board meeting for consideration.
- 7.12 Full minutes of meetings should be kept by the secretary to the Committee. Minutes shall record matters considered and decisions reached by the Members in details, including any doubt or disagreement raised by the Members. Draft and final versions of the minutes of the meetings should be sent to all Members for their comment and records by secretary of the committee within 14 days after the meetings.

8. Report

Chairman of the Committee or other Member who is authorized by the Chairman of the Committee to chair the meetings shall report to the Board after each meeting of the Committee.

9. Availability and update of the terms of reference

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 and the Stock Exchange's website.

10. Interpretation

Interpretation of these terms of reference shall belong to the Board.

These terms of reference are prepared in Chinese. In case of any inconsistency between the Chinese version and the English version, the English version shall prevail.