



Lvji Technology Holdings Inc.

驢跡科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1745)

(the “Company”)

Terms of Reference for the Remuneration Committee

(As adopted by the Board on December 20, 2019 and with revision approved by the Board on December 30, 2022)

CONSTITUTION

1. The board of directors (the “**Board**”) of the Company hereby resolves to establish a committee of the Board to be known as the Remuneration Committee (the “**Committee**”).

MEMBERSHIP

2. Members of the Committee shall be appointed by the Board and shall consist of not less than three members, a majority of whom should be independent non-executive directors of the Company.
3. The terms of office of the members of the Committee will be consistent with the terms of office of members of the Board. Each appointment to the Committee shall be for a period of up to three years. The member may be re-elected upon the expiry of his/her term of office. During his/her term of office, if any member ceases to hold office as a director, he/she will automatically be disqualified as a member of the Committee and the vacancy shall be filled in accordance with clause 2 above.

CHAIRMAN

4. The Board shall appoint the chairman of the Committee (the “**Chairman**”), which shall be an independent non-executive director.
5. The Chairman has the responsibility of liaising with the Board and shall chair the meetings of the Committee.
6. In the absence of the Chairman, the remaining members present shall elect one of themselves to chair the meetings of the Committee.
7. The Chairman or in his/her absence, another member of the Committee or failing this, his/her duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to any questions from the shareholders on the Committee’s activities.

SECRETARY

8. The company secretary of the Company shall be the secretary of the Committee (the “**Secretary**”).
9. The Secretary or his/her delegate shall attend meetings of the Committee to take minutes.
10. In the absence of the Secretary, the members present at the meeting shall elect another person as the Secretary.

AUTHORITY

11. The Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
12. The Committee is authorized by the Board to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if necessary.

DUTIES

13. In relation to the remuneration of the Board members, the duties of the Committee include (subject to approval by shareholders at general meetings as required under the Articles of Association of the Company):
- (a) make recommendations to the Board on the Company's policy and structure for all remuneration of members of the Board and senior management members and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
 - (b) make recommendations to the Board in relation to the remuneration of members of the Board who are non-executive directors. The Committee should consider fees paid by comparable companies, time commitment, responsibilities of the non-executive directors, employment conditions elsewhere in the Company or any of its subsidiaries and desirability of performance-based remuneration if and to the extent that they are relevant;
 - (c) consult with the Chairman and/or the Chief Executive Officer of the Company and, where deemed appropriate, senior management members about the Committee's proposals relating to, and have the delegated responsibility to determine, the specific remuneration packages for the employment of all members of the Board who are executive directors and all senior management members, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment. The Committee should consider salaries paid by comparable companies, responsibilities of the members of the Board who are executive directors and the senior management members, employment conditions elsewhere in the Company or any of its subsidiaries and desirability of performance-based remuneration;
 - (d) review and approve remuneration payable to members of the Board who are executive directors, and senior management members by reference to corporate goals and objectives resolved by the Board from time to time and other measures of performance;
 - (e) review and approve any compensation additional to that provided for in the remuneration packages determined according to 9.2(c) above which is payable to members of the Board who are executive directors and senior management members in connection with 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;

- (f) review and approve compensation arrangements relating to dismissal or removal of members of the Board and senior management members for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
- (g) ensure that no member of the Board or the senior management members or any of his associates is involved in deciding his own individual remuneration;
- (h) determine the participation of members of the Board who are directors, senior management members, and other employees of the Company in any discretionary employee share or other share-based incentive schemes operated by the Company;
- (i) determine targets for any Company-wide performance-related payments for members of the Board who are executive directors and senior management members and individual incentives for members of the Board and senior management members including, without limitation: (i) the setting and monitoring of any performance conditions subject to which any options, shares or other long-term incentives may be granted under any remuneration schemes adopted by the Company; and (ii) the setting and monitoring of any bonus scheme performance conditions. The performance-related elements of remuneration should form a significant proportion of the total remuneration package of members of the Board who are executive directors and senior management members;
- (j) determine the provision of benefits and settlement of other provisions under the terms of the service agreements or otherwise of members of the Board and senior management members where these are stated as being at the discretion of the Board;
- (k) operate and administer the Company's share option schemes or other incentive schemes (if any) as may be from time to time adopted by the Company;
- (l) review and monitor the training record and continuous professional development of the directors and senior management of the Company;
- (m) to 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 "**Listing Rules**"); and
- (n) form a view in respect of service agreements that require shareholders' approval and advise shareholders (other than shareholders who are directors with a material interest in the service agreements and their associates) as to whether the terms are fair and reasonable, advise whether such agreements are in the interests of the Company and its shareholders as a whole and advise shareholders on how to vote.

14. Without limiting the authority of the Committee in the exercise of its powers and discretions such Committee shall have the following responsibilities:
 - (a) to ensure that the Board and the senior management members remuneration policies and practice facilitate the employment and motivation of top quality personnel;
 - (b) to receive evidence on internal and external movements in remuneration, cash and benefits;
 - (c) to commission necessary surveys aimed at establishing market position or exploring particular aspects of remuneration;
 - (d) to maintain surveillance over benefits, including pensions, consider any significant developments and make recommendations as appropriate; and
 - (e) generally to ensure that the Board and the senior management members remuneration administration is consistent with the requirements of the Listing Rules and other relevant laws and regulations.
15. The Chairman shall attend annual general meetings to answer shareholders' questions relating to the remuneration and benefits of members of the Board who are executive directors and senior management members. In the Chairman's absence, another member of the Committee or failing this his duly appointed delegate should attend in his place.

QUORUM

16. The quorum of the meeting of the Committee is two-thirds of the members. Each member shall have one vote and any resolution of the meeting shall be passed by a simple majority of votes of all the members.
17. The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The relevant member of the Committee shall not be counted towards the quorum and he/she must abstain from voting on any resolution of the Committee in which he/she and/or his/her associates have a material interest.
18. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

FREQUENCY OF MEETINGS

19. Meetings shall be held at least once a year.

ATTENDANCE AT MEETINGS

20. The Company's Chief Executive Officer shall attend meetings to discuss the performance of members of the Board who are executive directors and senior management members and make proposals as necessary. The head of human resources of the Company shall attend meetings for the purpose of submitting to the Committee such relevant background information as may be necessary to enable the Committee to perform its duties. As deemed necessary by the Committee.
21. Members of the Committee may attend meetings of the Committee either in person or through other electronic means of communication. However, no member of the Board or the senior management members shall be involved in any decision or present at any discussions as to his or her own individual remuneration, save for the head of human resources of the Company who shall be present and be able to speak at any discussions where he is providing such necessary background as is referred to above.
22. Should any member of the Committee wish to attend a meeting through electronic communications, prior arrangements shall be made with the Secretary.

NOTICES OF MEETINGS

23. Meetings of the Committee shall be summoned by the Secretary at the request of any of its members.
24. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, and to any other person required to attend:
 - (a) in relation to all regular meetings of the Committee, at least 14 days before the date of the meeting; and
 - (b) in relation to all other meetings of the Committee, at least 3 days prior to the date of the meeting.

Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

25. Any member of the Committee shall be entitled, by notice to the Secretary, to include other matters relevant to the functions of the Committee in the agenda of a meeting of the Committee.

MINUTES OF MEETINGS

26. The Secretary (or his/her delegate) in attendance at the meetings of the Committee shall minute in sufficient detail the proceedings and resolutions of all such meetings, including the names of those present and in attendance. The minutes should also include any concerns raised by any member of the Committee and/or dissenting views expressed.
27. Draft and final versions of minutes of the Committee meetings shall be sent to all Committee members for their comments and records respectively, in both cases within a reasonable time after the meeting. Once they are agreed, the Secretary shall circulate the minutes and reports of the Committee to all members of the Committee and to all members of the Board.
28. Minutes of the Committee meetings shall be kept by the Secretary and shall be available for inspection by any member of the Committee or other members of the Board at any reasonable time on reasonable notice.

REPORTING RESPONSIBILITIES

29. The Chairman shall report formally to the Board on proceedings after each meeting on all matters within its duties and responsibilities.
30. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its authority where action or improvement is needed.
31. Where the Board resolves to approve any remuneration or compensation arrangements which the Committee has previously resolved not to approve, the Committee shall prepare a statement, for inclusion in the Company's Corporate Governance Report, explaining its recommendations. The Board shall include in the same report the reason(s) why the Board takes a different view.

OTHERS

32. The Committee shall have access to sufficient resources in order to perform its duties. In the event that the Committee determines that it has insufficient resources, it may make a request for additional resources to the Chairman. If the request for additional resources is denied, the Committee may, if it chooses, make a request to the Board through the Secretary. The Board shall convene a Board meeting as soon as reasonably practicable to consider the request.
33. All members of the Committee shall have access to the advice and services of the Secretary with a view to ensuring that procedures of the Committee and all applicable rules and regulations are followed.

34. In the event that the Committee or any member of the Committee requires access to independent professional advice in connection with its/his/her duties, a request may be made to the Secretary. All such requests shall be processed in accordance with the Company's pre-defined procedures for seeking independent professional advice at the Company's expense.
35. At the expense of the Company, every newly appointed member of the Committee shall be given a comprehensive, formal and tailored induction on the first occasion of his/her appointment, and subsequently such briefing and professional development as is necessary, to ensure that he/she has a proper understanding of the operations and business of the Company and that he/she is fully aware of his/her responsibilities as a member of the Committee.
36. Every member of the Committee shall give sufficient time and attention to his/her duties as a member of the Committee. He/she shall give the Company the benefit of his/her skills and expertise through regular attendance and active participation.
37. The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
38. Personnel present at the meeting of the Committee shall be obliged to keep all matters discussed in such meeting confidential, and shall not disclose any relevant information without authorization unless otherwise.
39. The interpretation of these terms of reference shall be vested in the Board.
40. The Committee shall make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on The Stock Exchange of Hong Kong Limited's website and the Company's website.