



## **ABLE ENGINEERING HOLDINGS LIMITED**

**安保工程控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 1627)

### **Terms of Reference of the Remuneration Committee (the “Committee”) of the Board of Directors (the “Board”) of the Company**

(Adopted on 18 January 2017, as revised on 31 December 2018, 27 June 2023  
and 29 August 2023)

#### **1. Constitution**

- 1.1 The Committee is established pursuant to a resolution passed by the Board at its meeting held on 18 January 2017.
- 1.2 Subject to the regulations contained in the Companies Law 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. Composition**

- 2.1 Committee members (“**Member(s)**”) shall be appointed by the Board from time to time amongst the directors of the Company (the “**Directors**”) and shall consist of not less than three Members, a majority of whom shall be independent non-executive Directors (“**INED(s)**”).
- 2.2 The chairman of the Committee (the “**Chairman**”) shall be appointed by the Board and shall be an INED.
- 2.3 The appointment of the Members may be revoked, or additional Members may be appointed to the Committee by separate resolutions passed by the Board and the Committee.
- 2.4 The company secretary of the Company or his/her nominee shall be the secretary of the Committee (the “**Committee Secretary**”).
- 2.5 The composition of the Committee shall comply with the requirements of the Listing Rules as amended from time to time.

#### **3. Frequency and Proceedings of Meetings**

- 3.1 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.

### 3.2 Notice of Meeting

- (a) Unless otherwise agreed by all Members, a meeting shall be convened by at least seven (7) days' notice. If a 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 Members, and a 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 seven (7) days (or such other period as agreed by the Members) before the meeting.

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

3.4 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.

3.5 Board members have the right of attendance, but only Members are entitled to vote at the Committee meetings.

3.6 Resolutions of the Committee at any meetings shall be passed by a majority of votes.

3.7 The Chairman (or in his/her absence, a 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.

3.8 Except for provided herein, proceedings of the Committee meetings shall be governed by the provisions contained in the Articles.

## 4. **Written Resolutions**

4.1 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.

## 5. **Access**

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

## **6. Authority**

- 6.1 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.
- 6.2 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.
- 6.3 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.

## **7. Duties**

- 7.1 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) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and
- (l) do any such things to enable the Committee to perform its duties and functions conferred on it by the Board.

## **8. Reporting Procedures**

- 8.1 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.
- 8.2 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 members and Members are entitled to have access to the minutes and written resolutions of the Committee.
- 8.3 The Committee shall report their findings and recommendations to the Board after each Committee meeting or the passing of the written resolutions.

## **9. Shareholders' Meeting**

- 9.1 Generally, Members who are INEDs should attend general meetings of the Company to gain and develop a balanced understanding of the views of shareholders and make himself/herself available to respond to any shareholder's questions on the Committee's activities.

**10. Powers of the Board**

- 10.1 The Board may, subject to compliance with the Articles and the Listing Rules, amend, supplement and revoke these Terms of Reference.
- 10.2 The power to interpret these Terms of Reference shall vest in the Board.

**11. Publication of these Terms of Reference**

- 11.1 These Terms of Reference will be posted on the respective websites of the Company and The Stock Exchange of Hong Kong Limited.

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(If there is any inconsistency between the English and Chinese versions of these terms of reference, the English version shall prevail.)