



ANALOGUE HOLDINGS LIMITED
安樂工程集團有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 1977)

Remuneration Committee
Terms of Reference

(Adopted as revised on 5 December 2022 with effect from 1 January 2023)

Constitution

1. A remuneration committee (the “**Remuneration Committee**”) was established pursuant to the resolutions passed by the board of directors (the “**Board**”, and each director, a “**Director**”) of Analogue Holdings Limited (the “**Company**”) on 14 September 2018.

Membership

2. The members of the Remuneration Committee shall be appointed by the Board from time to time from amongst the Directors and shall consist of not less than three members, a majority of whom shall be independent non-executive Directors.
3. The chairman of the Remuneration Committee shall be appointed by the Board and should be an independent non-executive Director.
4. The term of office of a member of the Remuneration Committee shall be determined by the Board.
5. Each member of the Remuneration Committee shall disclose to the Remuneration Committee any personal financial interest (other than as a shareholder of the Company) in any matter to be decided by the Remuneration Committee.
6. A member of the Remuneration Committee must abstain from voting on any resolution of the Remuneration Committee in which he/she or any of his/her close associates (as defined in the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)) has a material interest and shall not be counted towards the quorum of such a meeting at which the relevant resolution is considered by the Remuneration Committee, subject to the exceptions set out in the bye-laws of the Company. Where a member shall abstain from voting on resolutions of the Remuneration Committee, he/she shall also refrain from participating in the discussions concerning such resolutions.

Frequency and proceedings of meetings

7. Unless otherwise stated herein, the meetings of the Remuneration Committee are governed by the provisions regulating the meetings and proceedings of Directors in the Company’s bye-laws.
8. Meetings shall be held at least once a year. Meetings may be convened by any member of the Remuneration Committee or by the secretary of the Remuneration Committee at the request of a member of the Remuneration Committee.
9. Unless otherwise agreed by all members of the Remuneration Committee (either orally or in writing), regular meetings of the Remuneration Committee shall be called by, so far as practicable, at least 14 days’ notice, and any other meetings of the Remuneration Committee shall be called by at least 3 days’ notice. Irrespective of the length of notice being given, attendance of a member of the Remuneration Committee at a meeting constitutes a waiver of such notice unless such member attending the meeting attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the meeting has not been properly convened.
10. Notice may be given orally or in writing or by telephone or by email or by facsimile or electronic transmission or other similar means or in such other manner as the Remuneration Committee may from time to time determine.

11. The quorum of a Remuneration Committee meeting shall be any two members of the Remuneration Committee.
12. Meeting can be held in person, by telephone, by video conference or by other communication facilities which permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.
13. Resolutions of the Remuneration Committee at any meetings shall be passed by a simple majority of votes of the members present. Where the number of votes for and against a resolution is the same, the chairman of the Remuneration Committee shall be entitled to cast an extra vote.
14. A resolution in writing signed by all members of the Remuneration Committee shall be as valid and effective as if it had been passed at a meeting of the Remuneration Committee duly convened and held.
15. At the invitation of the Remuneration Committee, other members of the Board and any other person(s) may be invited to attend all or part of any meeting.
16. Only members of the Remuneration Committee are entitled to vote at the meetings.
17. An agenda and any accompanying Committee papers should be sent in full to all members of the Remuneration Committee in a timely manner and at least three days before the proposed date of a meeting of the Remuneration Committee (or other agreed period).
18. The secretary of the Remuneration Committee shall be a manager from the Human Resources Department nominated by the Human Resources Director.
19. The Company is obliged to supply the Remuneration Committee with adequate information in a timely manner, in order to enable it to make informed decisions. The information supplied must be complete and reliable. Where a member of the Remuneration Committee requires more information than information provided voluntarily by the senior management, the relevant member of the Remuneration Committee should make additional necessary enquiries. The member of the Remuneration Committee shall have separate and independent access to the senior management.

Annual General Meetings

20. The chairman of the Remuneration Committee shall attend the annual general meeting of the Company and be prepared to respond to any shareholder's questions on the Remuneration Committee's activities.
21. If the chairman of the Remuneration Committee is unable to attend an annual general meeting of the Company, he shall arrange for another member of the Remuneration Committee, or failing this, his duly appointed delegate, to attend in his place. Such person shall be prepared to respond to any shareholder's questions on the Remuneration Committee's activities.

Authority

22. The Remuneration Committee is authorised by the Board to discharge its duties within these terms of reference. It is authorised to seek any information from senior management of the Company in order to perform its duties.

23. The Remuneration Committee shall be provided with sufficient resources to perform its duties. The Remuneration Committee is authorised by the Board to obtain independent professional advice, where necessary, to perform its responsibilities, at the Company's expense. The Remuneration Committee shall be responsible for establishing the selection criteria for selecting external consultants to advise the Remuneration Committee in relation to the discharge of its duties, and for selecting, appointing and approving the terms of engagement of such external consultants.
24. The Remuneration Committee is authorised and encouraged by the Board to obtain external independent professional advice from suitable advisors, at the Company's expense, and to secure the attendance of such external advisors with relevant experience and expertise, if so required.

Duties

25. The duties of the Remuneration Committee shall include:
 - (a) making 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) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives;
 - (c) making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including, among others, benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment);
 - (d) making recommendations to the Board on the remuneration of non-executive Director(s);
 - (e) considering salaries paid by comparable companies in the industry in which the Company operates, time commitment and responsibilities, and employment conditions elsewhere in the Company and its subsidiaries;
 - (f) reviewing and approving the compensation payable to executive Directors and senior management for any loss or termination of office or appointment in order to ensure that such compensation is consistent with the contractual terms and is otherwise fair and not excessive;
 - (g) reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct in order to ensure they are consistent with contractual terms and are otherwise reasonable and appropriate;
 - (h) ensuring that no Director or any of his associates (as defined in the Listing Rules) is involved in deciding his own remuneration;
 - (i) review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and
 - (j) forming a view in respect of service contracts that require shareholders' approval and advise shareholders (other than shareholders who are Directors with a material interest in the service contracts and their associates (as defined in the Listing Rules)) as to whether the terms are fair and reasonable, and advising whether such contracts are in the interests of the Company and its shareholders, and advising shareholders on how to vote, pursuant to Rule 13.68 of the Listing Rules.

In carrying out its duties under these terms of references, the Remuneration Committee should:

- (a) consult the Chairman of the Board and/or the chief executive officer of the Company about their remuneration proposals for the Directors and senior management and to obtain independent professional advice if necessary;
 - (b) provide competitive packages required to attract, retain and motivate executive Directors and senior management of high calibre;
 - (c) determine the positioning of the Company, whether in the industry in which the Company operates or outside the industry in which the Company operates. The Remuneration Committee should take into account, among other things, the remuneration packages offered by comparable companies and the performance of each Director and senior management member when reviewing, or making recommendations to the Board on, his/her remuneration package;
 - (d) pay attention to market practice, including remuneration levels and employment conditions within the Company and elsewhere in the industry in which the Company operates or outside the industry in which the Company operates, especially when determining annual salary increments;
 - (e) ensure that the performance-related elements of remuneration form a significant proportion of the total remuneration package of Directors and senior management and are designed to align their interests with those of the shareholders of the Company and to give the Directors and senior management incentives to perform at optimal levels; and
 - (f) ensure that share options/awards offered by the Company to its Directors or senior management (if any) are in accordance with Chapter 17 of the Listing Rules (if applicable) or the employees incentive schemes adopted by the Company (if any) are in compliance with applicable laws and regulations.
26. Without prejudice to the generality of these terms of references for the Remuneration Committee set out above, the Remuneration Committee shall:
- (a) operate the Company's share schemes (if any) or other employees incentive schemes (if any), and make recommendations to the Board on the grant of options/awards to Directors and senior management. It shall recommend to the Board the aggregate amount of any grant of options/awards (if deemed appropriate) to employees (with the terms of the specific grants to individuals to be determined by the Board at its discretion) and propose amendments to the terms of such schemes (subject to the provisions of the schemes);
 - (b) review the proposed terms of appointment for individuals nominated for directorships; and
 - (c) advise the Board in relation to the preparation of the Board's remuneration report (where required) to the shareholders of the Company.

Reporting procedures

27. Full set of minutes of the Remuneration Committee's meetings shall be kept by the secretary of the Remuneration Committee, and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director.

28. Minutes of meetings of the Remuneration Committee shall record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of minutes should be sent to all members of the Remuneration Committee for their comment and records respectively, in both cases within a reasonable time after such meetings.
29. Without prejudice to the generality of the duties of the Remuneration Committee set out in these terms of reference, the Remuneration Committee shall report to the Board on its decisions and recommendations, unless there are legal or regulatory restrictions on doing so.

Provision of Terms of Reference

30. The Remuneration Committee shall make available these terms of reference, explaining its role and the authority delegated to it by the Board by including them on the Stock Exchange's website and the Company's website.

Approval of Disclosure Statements

31. The Remuneration Committee shall be responsible for approving all disclosure statements in relation to the Remuneration Committee, including but not limited to relevant disclosure statements in annual reports, interim reports and information uploaded on the Stock Exchange's website and the Company's website.

Review of Terms of Reference

32. The Remuneration Committee shall review these terms of reference as it sees fit, and may consider and submit to the Board any proposed changes that the Remuneration Committee deems appropriate or advisable.

Note: if there is any inconsistency between the English and Chinese versions of this document, the English version shall prevail.