



TIMELESS SOFTWARE LIMITED

天時軟件有限公司

(incorporated in Hong Kong with limited liability)

(Stock code: 8028)

TERMS OF REFERENCE

OF

REMUNERATION COMMITTEE

(Amended and adopted by the Board with effect from 14 February 2017)

Constitution

1. The Remuneration Committee (the “Committee”) is established pursuant to a resolution passed by the board of directors (the “Board”) of Timeless Software Limited (the “Company”) in the meeting held on 27 March 2006.

Membership

2. The Committee members (the “Member(s)”) shall be appointed by the Board and shall comprise of not less than three members. A majority of the Members should be independent non-executive directors (the “INED”).
3. The Chairman of the Committee shall be appointed by the Board and must be an INED.

Secretary

4. The company secretary of the Company shall be the secretary of the Committee (the “Secretary”).
5. Notwithstanding any other provisions in the terms of reference, the Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Committee.

Frequency and proceeding of Meetings

6. Meetings shall be held not less than once a year. Additional meeting should be held as the work of the Committee demands.
7. The quorum for a meeting shall be two members. In the event of an equality of votes, the Chairman of the Committee shall be entitled to a second or casting vote.

8. Unless otherwise agreed by all the Committee members, a meeting shall be convened by at least seven 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. A member who attends such a meeting shall deem to agree to the shorter notice.
9. Meetings could be held in person, by telephone or by video conference.
10. Resolutions of the Committee at any meeting shall be passed by a majority of votes of the Members present.
11. A resolution in writing signed by all Members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

Attendance at Meetings

12. As necessary or desirable, the Chairman may request the Chairman and / or other member of the Board, members of management be present at meetings of the Committee.

Authority

13. The Committee is authorized by the Board to review, assess and make recommendations upon any issue within these terms of reference.
14. The Committee should advise the Chairman and/or chief executive officer about their proposals relating to the remuneration of other executive directors and have access to professional advice if considered necessary.
15. The Committee is to be provided with sufficient resources to discharge its duties.

Duties

16. The duties of the Committee shall include:
 - (a) To determine the policy for the remuneration of executive directors, assessing performance of executive directors and approving the terms of executive directors' service contracts;
 - (b) To make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration and to place recommendations before the Board concerning the total remuneration and/or benefits granted to the Directors from time to time;
 - (c) To review and approve the senior management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time;
 - (d) To disclose which of the two models described in (e) below was adopted in the Committee;

- (e) Either
 - i. To determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management; or
 - ii. To perform an advisory role to the Board and to make recommendations to the Board on the remuneration packages of individual executive directors and senior management, with the Board retaining the final authority to approve executive directors' and senior management's remuneration
- (f) To make recommendations to the Board on the remuneration on non-executive directors;
- (g) Before placing any recommendation to the Board, to consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the group;
- (h) To review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive;
- (i) To review and approve compensation arrangements relating to dismissal or removal of directors 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;
- (j) To ensure that no director or any of his associate is involved in deciding his own remuneration;
- (k) To address and deal with such other matters as may be delegated by the Board to the Committee.

For purpose of this clause

Remuneration package should include share option, benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.

“Senior management” refers to the same category of persons as referred to in the Company’s annual report and is required to be disclosed under Chapter 18 of the GEM Listing Rules.

Reporting Procedures

17. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.
18. Full minutes of Committee meetings shall be kept by the Secretary.
19. Draft and final versions of minutes of Committee meetings shall be sent to all Members for their comments and records respectively.

Continuing application of the articles of association of the Company

20. The articles of association of the Company regulating the meeting and proceedings of the Directors so far as they are not replaced by the provisions in this terms of reference shall apply to the meetings and proceedings of the Committee.

Miscellaneous

21. The English text of this terms of reference will prevail over the Chinese text in case of any inconsistency.