



## **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 Board of Directors (the “Board”) of the Company**

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

#### **1. Composition**

- 1.1 The chairman of the Board (the “**Chairman**”) shall be appointed by the members of the Board.
- 1.2 The secretary of the Board (the “**Secretary**”) shall be appointed by the Board. In the absence of the Secretary, Board members present at the Board meeting may elect among themselves or appoint another person as the secretary for that meeting.
- 1.3 The composition of the Board shall comply with the laws and regulations (the “**Applicable Laws**”) applicable to the Company and its subsidiaries (the “**Group**”), including any applicable requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as amended from time to time.

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

- 2.1 Board meetings shall be held at least four times a year at approximately quarterly intervals or more frequently if circumstances require.
- 2.2 The quorum of the Board meeting shall be two members of the Board.
- 2.3 Notice of Meeting
  - (a) A Board meeting shall be called by at least 14 days’ notice pursuant to paragraph A.1.3 of Appendix 14 to the Listing Rules. Irrespective of the length of notice being given, attendance of a Board member at a Board meeting constitutes a waiver of such notice unless the Board member attending the Board meeting attends for the express purpose of objecting, at the beginning of the Board meeting, to the transaction of any business on the grounds that the Board meeting has not been properly convened.
  - (b) A Board member may and, on the request of a Board member, the Secretary shall, at any time summon a Board meeting. Notice shall be given to each Board member in person orally or in writing or by telephone or by email or by facsimile transmission at the telephone or facsimile or address or email address from time to time notified to the Secretary by such Board member or in such other manner as the Board members may from time to time determine.

- (c) Notice of Board meeting shall specify the purpose, time and place of the meeting. An agenda together with other documents which may be required to be considered by the Board members for the purposes of the Board meeting shall generally be delivered to all Board members seven (7) days (and in any event not less than three (3) days) before the intended date of the Board meeting (or such other period as all the Board members may agree).
- 2.4 Questions arising at any Board meetings shall be decided by a majority of votes, and in case of equality of votes, the Chairman shall have a second or casting vote.
- 2.5 Board meetings may be held in person, by telephone or by video conference. Board 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.
- 2.6 Except for provided herein, proceedings of the Board meetings shall be governed by the provisions contained in the Articles of Association of the Company (the “Articles”).
- 3. Written Resolutions**
- 3.1 Written resolutions signed by all Board members shall be valid and effectual as if they have been passed at the Board meeting duly convened and held.
- 4. Authority**
- 4.1 The Board may exercise the following powers:
  - (a) to obtain information from any employee of the Group or advice from any independent professional advisers in order to perform its duties, and to require any of the said parties to prepare and submit reports, attend Board meetings and address any questions from the Board;
  - (b) to review annually these Terms of Reference and their effectiveness in the discharge of its duties and to make any changes it considers necessary;
  - (c) to exercise such powers as it may consider necessary and expedient to properly discharge its duties under these Terms of Reference; and
  - (d) to delegate its authority to any Board committees or the management staff of the Group when it deems appropriate and in the best interests of the Group.
- 4.2 The Board 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.
- 5. Duties**
- 5.1 The duties of the Board shall include the following aspects:

- (a) to develop and review the Group's policies and practices on corporate governance and make recommendations to the Board;
- (b) to review and monitor the training and continuous development of the Company's directors (the "**Director(s)**") and the Group's senior management;
- (c) to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the Directors and the Group's employees;
- (e) to review and approve the corporate governance reports and related disclosures in the annual and interim reports of the Group and to ensure such reports are prepared in compliance with the relevant requirements under the Listing Rules or any Applicable Laws;
- (f) to oversee the design, implementation and monitoring of the Group's risk management and internal control systems on an on-going basis; ensure appropriate monitoring systems are in place to safeguard compliance with the guidelines, policies, procedures and/or systems pertaining to internal control and risk management; conduct at least annual review of the effectiveness of the Group's risk management and internal control systems, covering all material controls, including financial, operation and compliance controls; and report to shareholders of the Company in the corporate governance reports;
- (g) to monitor the audit committee, remuneration committee and nomination committee of the Company or such other Board committees from time to time established by the Board to ensure such committees have discharged their respective duties in accordance with the respective terms of reference, the Listing Rules and any Applicable Laws;
- (h) to review and monitor the Group's communication policies with its shareholders to ensure a high degree of transparency;
- (i) to review and monitor the Group's process of disclosure, including assessing and verifying the accuracy and materiality of inside information and determine the form and content of any required disclosure;
- (j) to develop and formalise the functions reserved to the Board and those to be delegated by the Board to the Group's management, and to review and monitor such arrangement on a periodic basis to ensure that they suit the needs of the Group;
- (k) to monitor proper segregation of duties between the Chairman and the chief executive of the Group; and
- (l) to review from time to time these Terms of Reference and the effectiveness of the Board and make changes as it considers necessary.

## **6. Minutes and Records**

- 6.1 The Secretary shall at the beginning of each meeting, ascertain and record in the minutes the existence of any conflicts of interest of the Directors. Where a Director or any of his/her close associate(s) has/have a material interest in any contract/arrangement/proposal, the Director shall not vote (nor shall he/she be counted in the quorum) on any Board resolution in respect of such contract/arrangement/proposal, unless any of the exceptions set out in note 1 to Appendix 3 to the Listing Rules applies.
- 6.2 The Secretary shall record in sufficient details the matters considered by the Board and the decisions reached, including any concerns raised by the Board members or dissenting views expressed.
- 6.3 Draft and final versions of the minutes of the Board meetings, or as the case may be, written resolutions of the Board, shall be circulated to all Board members for their comment and records respectively within a reasonable time after the meeting or before the passing of the written resolutions.
- 6.4 Full minutes of the Board meetings and all written resolutions of the Board shall be kept by the Secretary. Board members are entitled to have access to the minutes and written resolutions of the Board.
- 6.5 The Secretary shall keep record of all Board meetings held during each financial year of the Company and individual attendance at such Board meetings.

## **7. Powers of the Board**

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

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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.)