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National Arts Group Holdings Limited 國藝集團控股有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8228)

Terms of Reference of the Remuneration Committee (Terms revised, approved and adopted by the Board on 28 December 2022)

Formation

1. The remuneration committee (the "**Committee**") of National Arts Holdings Limited (the "**Company**") was formed pursuant to the board resolution of the Company passed on 30 March 2005.

Composition and Quorum

2. The Committee shall be appointed by the board of directors of the Company (the "**Board**") from amongst the board of the Company and shall consist of not less than three members, a majority of whom should be independent non-executive directors of the Company. The quorum for a meeting of the Committee shall be two members.
3. The chairman of the Committee shall be appointed by the Board and should be an independent non-executive director of the Company.
4. The company secretary of the Company shall be the secretary of the Committee. The secretary of the Committee or in his/her absence, his/her representative or any one member of the Committee, shall be the secretary of the meetings of the Committee.

Proceedings of meetings

5. The provisions of the Bye-Laws of the Company regulating the meetings and proceedings of the meetings of the directors of the Company so far as the same are applicable and not inconsistent with the provisions of these terms of reference shall *mutatis mutandis* apply to regulate the meetings and the proceedings of the meetings of the Committee.

Authority

6. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

7. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The Committee shall be provided with sufficient resources to discharge its duties.

Duties

8. The duties of the Committee shall be :

- (a) to make recommendations to the Board on the Company's policy and structure for all directors and senior management 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) to determine, with delegated responsibilities, the remuneration packages of individual executive directors and senior management. This should include 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 group;
- (f) to review and approve compensation payable to executive directors and senior management 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 ensure that no director or any of his associates is involved in deciding his own remuneration;
- (i) to consult the Chairman and/or the Chief Executive Officer of the Company about their remuneration proposals for other executive directors. The Remuneration Committee should have access to independent professional advice if necessary;
- (j) to review and/or approve matters relating to share schemes under Chapter 23 of the GEM Listing Rules; and
- (k) to consider other topics as defined by the Board.

Reporting procedures

9. The Committee shall report directly to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).
10. The secretary to the Committee shall keep full minutes of all Committee meetings. Minutes of Committee meetings shall record in sufficient detail the matters considered by the Committee members and decisions reached, including any concerns raised by the Committee members and dissenting views expressed. Draft and final versions of minutes of the meetings should be sent to all committee members for their comment and records within a reasonable time after the meeting. The secretary shall also circulate the minutes of meetings, reports and all written resolutions of the Committee to all members of the Board.

Powers of the Board

11. The Board may, subject to compliance with the Bye-Laws of the Company and the GEM Listing Rules, amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if these terms of reference or resolution had not been amended or revoked.

Publication of these terms of reference

12. A copy of these terms of reference will be made available to any person upon request.

On behalf of the Board
National Arts Group Holdings Limited
Chow Kai Weng
Chairman, Executive Director and Chief Executive Officer

Hong Kong, 4 January 2023

As at the date of this announcement, the Directors are as follows:

Chairman, Executive Director and Chief Executive Officer:
Mr. Chow Kai Weng

This announcement, for which the Directors collectively and individually accept full responsibility,

includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting. This announcement will also be published and remains on the Company’s website at www.nationalarts.hk on the “Investor Relations” page.