



NNK GROUP LIMITED

年年卡集團有限公司

(the “**Company**”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3773)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

Purpose

1. The purpose of the Remuneration Committee is to assist the board of directors (the “**Board**”) of the Company in determining the policy and structure for the remuneration of directors and senior management, reviewing incentive schemes and directors’ service contracts and fixing the remuneration packages for executive directors and senior management.

Membership

2. The Remuneration Committee shall be appointed by the Board from time to time and shall consist of not less than three directors, a majority of which shall be independent non-executive directors who shall meet and maintain the independence requirements from time to time as stipulated in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).
3. The Board shall appoint one member of the Remuneration Committee who is also an independent non-executive director as the chairman of the Remuneration Committee (the “**Chairman**”).

Meetings

4. The Remuneration Committee shall meet at least once annually, or more frequently if circumstances require.
5. All meetings of the Remuneration Committee may be held by telephone or other electronic means.
6. Unless otherwise agreed by all the Remuneration Committee members, a meeting shall be called in at least three days’ notice. Notice shall be given to each Remuneration Committee members in person orally or in writing. Notice of meeting shall state the purpose, time and venue of the meeting.
7. The Chairman (or in his or her absence, a member designated by the Chairman) shall preside at all meetings of the Remuneration Committee. The Chairman shall be responsible for leading the Remuneration Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.
8. The company secretary of the Company or any other designated person shall be the secretary (the “**Secretary**”) of the Remuneration Committee.

9. The quorum of a meeting shall be two members of the Remuneration Committee, of whom at least one has to be an independent non-executive director.
10. A Remuneration Committee member may not appoint any alternate.
11. Proceedings of meetings of the Remuneration Committee shall be governed by the provisions of Article 20.8 of the Articles of Association of the Company.
12. Minutes of meetings (both draft and final versions) of the Remuneration Committee and the records of individual attendance at such meetings shall be prepared by the Secretary which shall be sent to all members of the Remuneration Committee as soon as practicable after the conclusion of the meeting.
13. A resolution in writing signed by all the Remuneration Committee members shall be as valid and effectual as a resolution passed at a meeting of the Remuneration Committee duly convened and held and may consist of several documents in like form each signed by one or more members.

Authority

14. The Remuneration Committee is authorised by the Board to make recommendations to the Board on the remuneration payable to executive directors and members of senior management, the emolument policies and the basis for determining such emoluments. It shall ensure that no director should be involved in deciding his or her own remuneration.
15. The Remuneration Committee is authorised by the Board to obtain independent professional advice and assistance from internal or external legal, accounting or other advisers at the expense of the Company if necessary.
16. The Remuneration Committee shall have full access to management and may invite members of management or others to attend its meetings. The Remuneration Committee shall consult the chairman of the Board and/or chief executive of the Company about their remuneration proposals for other executive directors.
17. The Remuneration Committee shall be provided with sufficient resources to perform its duties.

Duties

18. The Remuneration Committee shall perform the following duties:
 - (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 make recommendations to the Board on the specific remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment and to make recommendations to the Board on the remuneration of non-executive directors. The Remuneration Committee shall consider factors such as salaries paid by comparable companies, time commitment and responsibilities and, employment conditions of the Company and its subsidiaries. The Remuneration Committee shall also ensure that the remuneration levels should be sufficient to attract and retain directors to run the Company successfully without paying more than necessary;
- (d) 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;
- (e) 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;
- (f) to ensure that no director or any of his or her associates is involved in deciding his or her own remuneration;
- (g) to advise shareholders of the Company on how to vote in respect of any service contracts of directors that require shareholders' approval in accordance with the Listing Rules;
- (h) to review from time to time as appropriate these Terms of Reference and the effectiveness of the Remuneration Committee and recommend to the Board any necessary changes; and
- (i) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

Reporting Procedures

19. The Remuneration Committee shall report to the Board on a regular basis.