



景業名邦
JY GRANDMARK

JY GRANDMARK HOLDINGS LIMITED

景業名邦集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2231)

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

(Adopted on 13 November 2019 and amended on 30 March 2023 by the Board)

1 Constitution

1.1 The Remuneration Committee (the “**Committee**”) was established with its terms of reference pursuant to a resolution passed by the board of directors (the “**Board**”) of JY Grandmark Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) at its meeting held on 13 November 2019. The powers, responsibilities and specific duties of the Committee are summarised as below.

2 Responsibility

2.1 The Committee is to review the remuneration policies and make recommendations to the Board on the remuneration package of directors and senior management. Senior management shall be defined by the Board including but not limited to the category of persons, the relevant particulars of whom are required to be disclosed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) (the “**Listing Rules**”).

3 Membership

3.1 The Committee shall consist of at least three (3) directors appointed by the Board from time to time, the majority of whom shall be independent non-executive directors.

3.2 The Board shall appoint the chairman of the Committee (the “**Chairman**”) who shall be an independent non-executive director.

3.3 Appointments to the Committee shall be co-terminus with the directorship of the relevant members (whether by retirement, rotation or otherwise).

4 Secretary

- 4.1 The company secretary of the Company or his/her nominee shall be the secretary of the Committee.
- 4.2 The secretary of the Committee must ensure that full minutes are kept of all meetings.

5 Frequency and proceedings of meetings

- 5.1 The Committee shall meet at least once (1) every year or at such frequency as required under the Listing Rules or other regulatory requirements applicable to the Company from time to time. Additional meetings shall be held as the work of the Committee demands.
- 5.2 The Chairman may convene additional meetings at his discretion.
- 5.3 The Chairman (or in his or her absence, a member designated by the Chairman) shall preside at all meetings of the Committee. The Chairman shall be responsible for leading the Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.
- 5.4 The quorum of a meeting shall be two (2) members of the Committee, one (1) of which shall be an independent non-executive director of the Company. As necessary or desirable, the Chairman may request that members of management and/or members of the Board be present at the meeting of the Committee.
- 5.5 The Committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants to advise its members.
- 5.6 Proceedings of meetings of the Committee shall be governed by the provisions of the articles of association of the Company.
- 5.7 As no director or his/her associate shall be involved in setting his/her own remuneration, relevant members of the Committee shall abstain from voting in relation to his/her own remuneration or that of his/her associates and, in addition, such member shall not be counted for the purpose of constituting a quorum in relation to any resolutions.

- 5.8 The agenda and related documents of a regular meeting shall be delivered to all members of the Committee in a timely manner and at least three (3) days before the date of the meeting (or such other time as the members may agree), and the above arrangement shall be adopted by all of the other meetings as practicable as possible. Notice of the Committee meetings shall be deemed to be duly given to a member if it is given to him/her personally, by word of mouth or given to him/her in writing sent to his/her last known address or any other address given by him/her to the Company or by electronic means by transmitting it to any email address supplied by the member to the Company for this purpose.
- 5.9 Meetings of the Committee convened in accordance with the standard procedures having a quorum present at the meeting is sufficient to exercise all or any of the mandate, powers and discretion granted to or exercisable by the Committee. Members of the Committee must attend the meetings in person or by electronic means of communication, including but not limited to, by telephone or video conference. Members may participate in a meeting by communication devices through which all persons attending the meeting are able to hear from each other.
- 5.10 A resolution in writing signed by all members of the Committee shall be as valid and effective as if the same had been passed at a meeting of the Committee duly convened and held. Any such resolution shall be deemed to have passed at a meeting held on the date on which it was signed by the last member to sign.
- 5.11 Only members of the Committee are entitled to vote at the meetings.
- 5.12 Resolutions of the Committee shall be passed by a majority of votes of the members present.

6 Authority

- 6.1 The Committee is authorised by the Board to act within its terms of reference. It is authorised to seek any information it requires from any employee of the Company and all employees are directed to co-operate with any request made by the Committee.
- 6.2 The Committee is authorised by the Board to obtain outside legal or other independent professional advice as it considers necessary at the Company's expense but subject to prior discussion with the Board on the relevant costs, and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
- 6.3 The Committee shall consult the chairman and/or chief executive officer of the Company about their remuneration proposals for other executive directors. The Committee shall have access to independent professional advice if considered necessary.

6.4 The Committee shall be provided with sufficient resources to perform its duties.

7 Duties

7.1 The duties of the Committee includes the following:

- (a) make recommendations to the Board on the Company's policy and structure for all directors' (including non-executive directors and independent non-executive directors) and senior management's remuneration and on the establishment of a formal and transparent procedure for developing the remuneration policy;
- (b) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) make recommendations to the Board on the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for the loss or termination of their office or appointment;
- (d) make recommendations to the Board on the remuneration of non-executive directors;
- (e) consider salaries paid by comparable companies, time commitments, responsibilities and employment conditions elsewhere in the Group;
- (f) review and approve the 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) review and approve compensation arrangements relating to the dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (h) ensure that no director or any of his associates (as defined in the Listing Rules) is involved in determining his own remuneration;
- (i) advise the shareholders on how to vote with respect to any service contracts of directors that require shareholders' approval under the Listing Rules;
- (j) review the basis of and, if the Committee so decides, approve any significant discretionary payment to an employee who is neither a director nor a member of senior management but who is related to any director or any member of senior management;

- (k) make recommendations to the Board regarding the content of the Board's annual report to shareholders on directors', chief executive officers' and senior management's remuneration (including the Company's policy on such persons' remuneration, details of individual remuneration and other terms and conditions);
- (l) review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and
- (m) consider other matters that are related to remuneration paid or payable by the Group, as defined or assigned by the Board or imposed by the Listing Rules or applicable laws from time to time.

7.2 In carrying out its duties under these terms of reference, the Committee should:

- (a) provide reasonable and sufficient remuneration packages to run the Company successfully;
- (b) be sensitive to the wider scene, including pay and employment conditions elsewhere, especially when determining annual salary increases;
- (c) ensure that executive directors should be designed to align their interest with those of shareholders and to give these directors keen incentives to perform at the highest levels; and
- (d) ensure that executive share options (if any) are offered in accordance with the Listing Rules.

8 Reporting procedures

- 8.1 The Committee shall report to the Board on a regular basis, and the Chairman shall report the findings and recommendations to the Board at the next meeting of the Board following each meeting of the Committee, unless there are legal or regulatory restrictions on its ability to do so.
- 8.2 Where the Board resolves to approve any remuneration or compensation arrangements with which the Committee disagrees with, the Board should disclose the reasons for its resolution in its next corporate governance report.
- 8.3 The Company should disclose details of any remuneration payable to members of senior management at least by band, or even on an individual and named basis as a best practice, in its annual reports with the endorsement of the Committee.

9 Minutes

- 9.1 Minutes of the Committee meetings should be kept by a duly appointed secretary of the meeting, and the draft and final versions of minutes of the Committee meetings should be circulated to all Committee members for their comment and records respectively within a reasonable period of time.
- 9.2 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.

10 General

- 10.1 These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and regulatory requirements, including those under the Listing Rules.
- 10.2 The Committee should make available these terms of reference to the public, explaining its role and the authority delegated to it by the Board, by including them on the Hong Kong Exchanges and Clearing Limited news website (www.hkexnews.hk) and the Company's website (www.jygrandmark.com).

(In case of any discrepancy between the English and Chinese versions of this Terms of Reference, the English version shall prevail.)