

*These terms of reference are prepared in English. In the event that there is any discrepancy or inconsistency between the English version and the Chinese version, the English version shall prevail.*

## **YUE KAN HOLDINGS LIMITED**

**(裕勤控股有限公司)**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2110)**

**(the "Company")**

### **Terms of Reference for Remuneration Committee**

#### *Constitution*

1. The board of directors of Yue Kan Holdings Limited (裕勤控股有限公司) (the “**Director(s)**” or “**Board**”) has resolved the establishment of the Remuneration Committee (the “**Committee**”) on 13 November 2020.

#### *Membership*

2. The members of the Committee shall be appointed by the Board from amongst the Directors 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. Two members shall form a quorum.
3. The Chairperson of the Committee shall be appointed by the Board and should be an independent non-executive Director and in his absence, members present may elect any member to chair a Committee meeting.

#### *Attendance at meetings*

4. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as other Directors, the head human resources and relevant senior manager may be invited to attend for all or part of any Committee meeting, as and when appropriate. The company secretary or his representative shall be the secretary of the Committee (“**Secretary**”). The Committee may from time to time appoint any other person with appropriate qualification and experience as the Secretary.

#### *Frequency and procedure of meetings*

5. Meetings shall be held at least once a year or as requested by the Board or the Chairperson of the Committee to consider and review the remuneration policies of the Company and make recommendations to the Board. The members may adopt from time to time the procedure governing the convening of the Committee meetings, the means and procedure for the passing of resolutions at meetings of the Committee.

#### *Authority*

6. The Committee should consult the chairman of the Board and/or the chief executive officer (if any) about their proposals relating to the remuneration of other executive Directors. **CGC B.1.1**
7. The Committee is authorised by the Board to deal with any activity within its terms of reference. It is authorised by the Board to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
8. 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. **CGC B.1.1**
9. The Committee may, from time to time, seek advice from the special personnel consulting groups so as to ensure that the Board remains informed of market trends and practices.
10. Where the Board resolves to approve any remuneration or compensation arrangements with which the Committee disagrees, the Board shall disclose the reasons for its resolution in its next corporate governance report. **CGC B.1.6**

*Duties*

11. The duties of the Committee shall be:
- (a) to make recommendations to the Board on the Company's policy and structure of the remuneration of the Directors and the senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; CGC B.1.2.(a)
  - (b) to have the delegated responsibility to determine the specific remuneration packages of all executive Directors and the senior management (as defined in Note to B.1.2 of the Corporate Governance Code (“CGC”), Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of individual executive directors and senior management; CGC  
B.1.2.(c)(i)  
  
CGC  
B.1.2.(c)(ii)
  - (c) to make recommendations to the Board on the remuneration of non-executive Directors; CGC B.1.2.(d)
  - (d) to review and approve the management’s remuneration proposals with reference to corporate goals and objectives resolved by the Board from time to time; CGC B.1.2.(b)
  - (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group; CGC B.1.2.(e)
  - (f) to review and approve the compensation payable to the executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such remuneration is determined in accordance with relevant contractual terms and that such remuneration is otherwise fair and not excessive for the Company; CGC B.1.2.(f)
  - (g) 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 remuneration payment is otherwise reasonable and appropriate; CGC B.1.2.(g)
  - (h) to ensure that no Director or any of his associates (as defined in the Listing Rules) is involved in deciding his own remuneration; and CGC B.1.2.(h)
  - (i) with respect to any service contracts of Directors that require the Shareholders' approval under Rule 13.68 of the Listing Rules, to advise the Shareholders as to whether the terms are fair and reasonable, whether such contracts are in the interests of the Company and its Shareholders as a whole, and as to how to vote.

*Other Procedures*

12. The Chairperson of the Committee, in consultation with the Secretary, should be primarily responsible for drawing up and approving the agenda for each Committee meeting. The Chairperson, with the assistance of the Secretary, shall ensure that all members shall have sufficient information in a timely manner to enable effective discussion at a Committee meeting and be briefed on the issues arising at each Committee meeting at least 3 days before the intended date of a meeting (or other period agreed by the Committee). The Secretary shall record minutes of all duly constituted meetings of the Committee. All minutes shall record in sufficient detail the matters considered, decisions reached or recommendations made and any concerns raised by any member including dissenting views of any member. The Secretary shall circulate the draft and final versions of the minutes of meetings and reports of the Committee to all members for comments and records within a reasonable time after each meeting. The Secretary shall maintain as part of the Company's corporate records all approved minutes of Committee meetings and reports, which should be open for inspection at any reasonable time on reasonable notice by any Director. The Chairperson shall report at the forthcoming regular Board meeting any key decisions made and shall table before the Board an index of meetings and issues discussed.

13. Unless otherwise defined, terms and expressions used herein shall have the same meanings as defined in the Corporate Governance Practice Manual of the Company.

**Publication of the terms of reference**

14. The terms of reference of the Committee will be posted on the websites of the Company and The Stock Exchange of Hong Kong Limited, and will be made available upon request. **CGC B.1.3**