



Easyknit International Holdings Limited

永義國際集團有限公司

(Incorporated in Bermuda with limited liability)

(the “Company”)

(Stock Code: 1218)

REMUNERATION COMMITTEE TERMS OF REFERENCE

1. OBJECTIVE

The remuneration committee (the “**Committee**”) of Easyknit International Holdings Limited (the “**Company**”) is to assist the board of directors of the Company (the “**Board**”) to develop and administer a fair and transparent procedure for setting policy on the remuneration of directors and senior management of the Company, reviewing incentive schemes and directors’ service contracts and for fixing remuneration packages for all directors and senior management.

2. MEMBERSHIP

2.1 All members of the Committee shall be appointed by the Board and shall comprise a minimum of three non-executive directors, a majority of whom should 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 (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

2.2 The chairman of the Committee (the “**Chairman**”) shall be appointed by the Board and must be an independent non-executive director.

2.3 The company secretary of the Company or as otherwise determined by the Board, shall act as the secretary of the Committee.

3. AUTHORITY

3.1 The Committee is authorized by the Board to perform any activity within its terms of reference. It is authorized to seek any necessary information from the management of the Company as it may require in order to enable it to discharge its duties.

3.2 The Committee is to be provided with sufficient resources to perform its duties.

3.3 The Committee is authorized by the Board to obtain external independent professional advice and to secure attendance of outsiders with relevant experience and expertise if it consider necessary, all related expenses shall be borne by the Company.

4. DUTIES

The duties of the Committee shall include the following aspects:

- 4.1 to make recommendations to the Board on the Company's policy and structure for all directors and senior management ^(Note) remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- 4.2 to determine and make recommendations to the Board, with delegated responsibility, on the remuneration packages of individual executive directors and senior management ^(Note), including, but not limited to, benefits in kind, pension rights and compensation payments for loss or termination of their office or appointment;
- 4.3 to make recommendations to the Board on the remuneration of non-executive directors;
- 4.4 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 4.5 to review and approve the compensation payable to executive directors and senior management ^(Note) for any loss or termination of their office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- 4.6 to review and approve the compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and is otherwise reasonable and appropriate;
- 4.7 to ensure that no director or any of his associates is involved in deciding his own remuneration;
- 4.8 to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules on the Stock Exchange;
- 4.9 to consider and implement other matters, as defined or assigned by the Board or otherwise required by the Listing Rules from time to time; and
- 4.10 the Chairman in his absence, another Committee member shall attend the annual general meetings of the Company and be prepared to respond to the questions from shareholders on the activities of the Committee and their responsibilities.

5. MEETINGS

- 5.1 The Committee shall meet at least once a year. Additional meeting shall be held as the work of the Committee demands.
- 5.2 The quorum of the Committee shall be any two members of Committee.
- 5.3 Other Board members, apart from the Committee members, have the right to attend any Committee meetings, though they shall not be counted in the quorum. At the invitation of the Committee, senior management, external advisers and other persons may be invited to all or part of any meetings.
- 5.4 Any members of the Committee or other attendees may participate in a meeting of the Committee by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other.
- 5.5 Resolutions of the Committee shall be passed by a majority of votes in meeting.
- 5.6 A resolution in writing signed by all Committee members shall be as valid and effectual as if it has been passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more of the members of the Committee.
- 5.7 Proceedings of meetings of the Committee shall be governed by the provisions of the bye-laws of the Company.
- 5.8 The secretary of the Committee shall keep full minutes of all Committee meetings. Draft minutes of meetings of the Committee shall be sent to all Members for their comment within a reasonable time after the meeting. The final version of the minutes duly signed by the Chairman shall be sent to all Members for their records.

6. AVAILABILITY AND UPDATE OF THE TERMS OF REFERENCE

These terms of reference shall be updated and revised as and when necessary, in light of changes in circumstances and changes in regulatory requirements (e.g. Listing Rules) and applicable rules. These terms of reference shall be made available to the public on the websites of the Stock Exchange and the Company.

Note: “Senior management” means the senior executives and officers of the Company determined by the Board from time to time as the senior management of the Company for the purpose of the Committee.

Revised on 30 December 2022