



KOS International Holdings Limited

高奧士國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8042)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

Constitution

1. The board (the “**Board**”) of directors (the “**Directors**”) of the Company resolved the establishment of the remuneration committee (the “**Committee**”) on 13 September 2018.

Members and Secretary

2. The members shall be appointed by the Board from amongst the executive and independent non-executive 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. The constitution of the Committee shall comply with the requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) from time to time.
3. The chairman of the Committee (the “**Chairman**”) shall be appointed by the Board and should be an independent non-executive Director and in his/her absence, members present may elect any member to chair the Committee meeting.
4. The company secretary of the Company or his/her representative shall be the secretary of the Committee (the “**Secretary**”). The Committee may from time to time appoint any other person with appropriate qualification and experience as the Secretary.

Attendance and Quorum

5. The quorum of the Committee meeting shall be two members of the Committee.
6. The Committee members may attend meetings of the Committee either in person or through other electronic means of communication such as telephone or video conference (if made available to the Company). Should any member of the Committee wish to attend a meeting through electronic communication, prior arrangements shall be made with the Secretary.

Frequency and procedure of meetings

7. Meetings shall be held at least once a year or as requested by the Board or the Chairman 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.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be forwarded to each member of the Committee and to any other person required to attend:

- (a) in relation to all regular meetings of the Committee, at least 3 days before the date of meeting; and
 - (b) in relation to all other meetings of the Committee, within a reasonable time prior to the date of the meeting.
8. Resolutions of the Committee at any meetings shall be passed by a majority of votes of the members present but no member may vote on any resolution of the Committee regarding his/her own remuneration package.
 9. A resolution in writing signed by all members shall be as valid and effectual as if it has been passed at a meeting of the Committee duly convened and held.

Authority

10. 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 and senior management.
11. 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.
12. 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 fees of which should be paid by the Company.
13. 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, the fees of which should be paid by the Company.

14. If the Committee makes recommendations to the board on the remuneration packages of individual executive directors and senior management, 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.

Duties

15. 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 of the Company's remuneration and on the establishment of a formal and transparent procedure for developing policy on such remuneration in accordance with, among others, his/her respective experience, responsibilities, workload, performance and time devoted to the Company;
 - (b) to have the delegated responsibility to determine the specific remuneration packages of all 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 make recommendations to the Board on the remuneration packages of all executive Directors and senior management;
 - (c) to make recommendations to the Board on the remuneration of non-executive Directors;
 - (d) to review and approve management's remuneration proposals with reference to corporate goals and objectives resolved by the Board from time to time;
 - (e) to review and approve the remuneration payable to the executive Directors and senior management for any loss or termination of office or appointment to ensure that such remuneration is consistent with relevant contractual terms and that such remuneration is otherwise fair and not excessive for the Company;
 - (f) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are consistent with relevant contractual terms and that any remuneration payment is otherwise reasonable and appropriate;
 - (g) to ensure that no Director or any of his/her associates (as defined in the GEM Listing Rules) is involved in deciding his/her own remuneration; and
 - (h) to review and/or approve matters relating to share schemes under Chapter 23 of the GEM Listing Rules.

16. In determining any specific package, the Committee shall take into account factors such as salaries paid by comparable companies, time commitment, responsibilities, employment conditions elsewhere in the Company and its subsidiaries.

Annual general meeting

17. The Chairman of the Committee or in his/her absence, another member of the Committee, shall attend the Company's annual general meeting and be prepared to respond to shareholders' questions on the Committee's activities and their responsibilities.

Others

18. The Committee shall have access to sufficient resources in order to discharge its duties.
19. The Chairman with the assistance of the Secretary, shall ensure that all members shall have sufficient information in a timely manner to enable effective discussion at the 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).
20. 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 the Committee meetings and reports, which should be open for inspection at any reasonable time on reasonable notice by any Director.
21. The Chairman 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.
22. This terms of reference has been 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.

Revised on 23 December 2022