

METASURFACE

METASURFACE TECHNOLOGIES HOLDINGS LIMITED

元续科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8637)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1. CONSTITUTION

The board of directors ("**Directors**") of Metasurface Technologies Holdings Limited (the "**Company**") (the "**Board**") has resolved the establishment of the remuneration committee of the Company (the "**Committee**") on 7 June 2024 and has adopted the following terms as the terms of reference for the Committee.

2. MEMBERSHIP

2.1. Members of the Committee shall be appointed by the Board from among the non-executive Directors and shall comprise not less than three members and a majority of whom shall be independent non-executive Directors.

2.2. The term of each Committee member shall be the same as his/her term as a Director. Subject to the constitution of the Company and the applicable laws and regulations, any member of the Committee may be re-appointed by the Board and continue to act as a member of the Committee upon the expiry of his/her term of appointment relating thereof.

2.3. A member of the Committee who ceases to be a member of the Board shall immediately and automatically cease to be a member of the Committee.

2.4. The chairman of the Committee (the "**Committee Chairman**") shall be appointed by the Board from time to time and shall be an independent non-executive Director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

3. COMMITTEE SECRETARY

Save as otherwise appointed by the Committee in accordance with the remaining provisions of this paragraph 3, the company secretary of the Company shall act as the secretary of the Committee (the "**Committee Secretary**"). The Committee may, from time to time, appoint any other person with the appropriate qualification and experience as the Committee Secretary. The Committee Secretary or in his/her absence, his/her representative or any one member of the Committee, shall be the secretary of the meeting.

4. FREQUENCY OF MEETINGS

4.1. Meetings shall be held as and when appropriate, but at least once a year.

4.2. The Committee Chairman shall convene a meeting upon request by any member of the Committee.

5. CONDUCT OF MEETINGS

5.1. Unless specified by these terms of reference, meetings and proceedings of the Committee shall be governed by the Company's articles of association regulating the meetings and proceedings of the Directors.

5.2. Unless otherwise waived by all members of the Committee, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee no later than 14 days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

5.3. The quorum of the Committee shall be any two members of the Committee. Meetings could be held in person, by telephone or by video conference, or through other means of electronic communications as long as all participants in the meeting can communicate simultaneously with each other. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5.4. Resolutions of the Committee at any meeting shall be passed by a majority of votes of the members of the Committee present. In the case of any equality of votes, the chairman of the meeting shall have a second or casting vote. Subject to compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and the applicable laws and regulations, a resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

5.5. The Committee may invite any member of the senior management of the Company ("**Senior Management**"), any Director, external advisers or any other persons to attend all or part of any meetings as the Committee considers appropriate, notwithstanding that the aforementioned persons shall not have a right to vote at such meetings.

5.6. Each member of the Committee shall disclose to the Committee:

5.6.1. any personal financial interest (other than as a shareholder of the Company) in any matter to be decided by the Committee; or

5.6.2. any potential conflict of interest arising from directorships held in other companies.

Any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions, and shall (if so, required by the Board) resign from the Committee.

6. ANNUAL GENERAL MEETINGS

The Committee Chairman, or in his/her absence, another member of the Committee, or failing which his/her duly appointed delegate shall attend the annual general meetings of the Company and be available to answer questions thereat on the Committee's activities and its responsibilities.

7. AUTHORITY

7.1. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

7.2. The Committee is authorised to obtain legal and other independent professional advice as it considers necessary to perform its duties.

7.3. Management of the Company is obliged to supply the Committee with adequate information in a timely manner, in order to enable it to make informed decisions. The information supplied must be complete and reliable. Where a member of the Committee requires more information than the information provided voluntarily by the management of the Company, the relevant member of the Committee should make additional necessary enquiries. Each member of the Committee shall have separate and independent access to the management of the Company.

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

8. DUTIES

8.1. The duties of the Committee shall include, without limitation, the following

8.1.1. to evaluate the performance of all Directors and Senior Management and make recommendations to the Board on the Company's policy and structure for all Directors' and Senior Management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

8.1.2. to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

8.1.3. to make recommendations to the Board on the remuneration packages of individual executive Directors and Senior Management, including in relation to benefits in kind, pension rights and compensation payments, and any compensation payable for loss or termination of their office(s) or appointment(s), and to make recommendations to the Board on the remuneration of non-executive Directors, and to consider all aspects of remuneration, including termination terms, to ensure they are fair;

8.1.4. in determining such packages and arrangements, to give due regard to any relevant legal requirements, and the provisions, guidelines and recommendations of relevant regulatory bodies;

8.1.5. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company (together with its subsidiaries, the "**Group**") and any of its subsidiaries;

8.1.6. to review and approve compensation payable to executive Directors and Senior Management for any loss or termination of office(s) or appointment(s) to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

8.1.7. to review annually the appropriateness and relevance of the remuneration policy and ensure the remuneration policies and systems of the Group, as approved by the Board, support the Group's objectives and strategies and are consistently being administered and being adhered to within the Group;

8.1.8. 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;

8.1.9. to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration;

8.1.10. to review annually the remuneration of related employees with family relationships with any Director or the CEO ("**Related Employees**") to ensure that their remuneration are in line with the remuneration policy and to review and approve any remuneration, bonuses, pay increases and/or promotions for the Related Employees;

8.1.11. to review and make recommendations on the roles and responsibilities, training and professional development of the Senior Management team;

8.1.12. to form a view in respect of any service contracts of Directors that require the approval of the shareholders of the Company ("**Shareholders**") and advise the Shareholders (other than Shareholders who are Directors with material interests in the service contracts and their associates) as to whether the terms are fair and reasonable, whether such contracts are in the interests of the Company and the Shareholders as a whole and advise the Shareholders on how to vote;

8.1.13. to consult the chairman of the Board and/or the chief executive of the Company about their remuneration proposals for other executive Directors. The Committee should have access to independent legal and professional advice if necessary;

8.1.14. to evaluate and make recommendations on any share option and share award schemes that may be adopted by the Company from time to time;

8.1.15. to ensure that share options and share awards offered by the Company to its Directors or Senior Management (if any) are in accordance with Chapter 17 of the GEM Listing Rules and Section B of the Listing Manual of the Singapore Exchange Securities Trading Limited dealing with the rules of Catalist, as from time to time amended, modified or supplemented (the "**Catalist Rules**"), as applicable;

8.1.16. to administer the Company's share option schemes (if any), share award schemes (if any) or other incentives schemes (if any) as they apply to Directors and/or Senior Management (subject to compliance with the provisions of the GEM Listing Rules and the Catalist Rules). It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to Directors and/or Senior Management to be at the discretion of the Committee) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);

8.1.17. to ensure that all provisions regarding the disclosure of remuneration including pensions, as set out in the relevant provisions of the GEM Listing Rules and the Catalist Rules, are fulfilled;

8.1.18. at least once a year, to review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval;

8.1.19. if expert advice is sought within and/or outside of the Group on remuneration matters, ensuring that existing relationships, if any, between the Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;

8.1.20. to ensure proper disclosure of the Director's remuneration in the annual report of the Company in accordance with the accounting principles, the GEM Listing Rules and the Catalist Rules;

8.1.21. to make recommendations to the Board as it deems appropriate on any area within its scope of duties where action or improvement is needed; and

8.1.22. to undertake other functions as may be required by law or the applicable regulatory bodies (including but not limited to The Stock Exchange of Hong Kong Limited and Singapore Exchange Securities Trading Limited) or as recommended by the Singapore Code of Corporate Governance 2018 (and by such amendments made thereto from time to time).

9. REPORTING PROCEDURES

9.1. Full minutes of the Committee's meetings should be recorded and kept by the Committee Secretary and shall be available for inspection at any reasonable time on prior reasonable notice by any Director.

9.2. Draft and final versions of minutes should be sent to all members of the Committee for their comments and records respectively, within a reasonable time after such meetings.

9.3. The Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless prohibited by applicable laws and regulations.

10. TERMS AVAILABLE

The Committee shall make available these terms of reference on request and by including them on The Stock Exchange of Hong Kong Limited's website and the Company's website.