



## **MEGAIN Holding (Cayman) Co., Ltd.**

**美佳音控股有限公司\***

**(the “Company”)**

### **Terms of Reference of the Remuneration Committee (the “Committee”) of the Board (the “Board”) of Directors (the “Directors”) of the Company (Effective from 31 March 2021 and revised on 30 December 2022)**

#### **1. Constitution**

1.1 The Committee is established pursuant to a resolution passed by the Board at its meeting held on 26 February 2021.

#### **2. Membership**

2.1 Members of the Committee shall be appointed by the Board from amongst the members of the Board and shall consist of not less than three members and a majority of which should be independent non-executive Directors of the Company.

2.2 The Chairman of the Committee shall be appointed by the Board or elected among the members of the Committee and shall be an independent non-executive Director.

2.3 The company secretary of the Company shall be the secretary of the Committee. In the absence of the secretary of the Committee, Committee members present at the meeting may elect among themselves or appoint another person as the secretary for that meeting.

2.4 The appointment of the members of the Committee may be revoked, replaced or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee. An appointment of Committee member shall be automatically revoked if such member ceases to be a member of the Board.

#### **3. Procedural Standing Orders**

3.1 The Standing Orders which from time to time apply to the terms of reference of the Audit Committee of the Board shall apply *mutatis mutandis* to these terms of reference of the Committee.

3.2 Meetings shall be held at least once annually or more frequently if circumstances require.

#### **4. Overriding principles**

- 4.1 Remuneration levels should be sufficient to attract and retain Directors to run the Company successfully without paying more than necessary.
- 4.2 No Director should be involved in deciding his own remuneration.
- 4.3 The Committee should consult the chairman and/or chief executive about their remuneration proposals for other executive Directors. The Committee should have access to independent professional advice if necessary.

#### **5. Authority of the Committee**

5.1 The Committee may exercise the following powers:

- (a) to review any proposed service contract with any Director or senior management before such contract is entered into and to make recommendation to the Company's human resources department for any changes to the proposed terms of such contract;
- (b) to make recommendations regarding the remuneration, bonuses and welfare benefits of the executive Directors and the senior management;
- (c) to request the Board to dismiss any employees and/or to convene a shareholders' meeting (if necessary) for purposes of removing any Director if there is evidence showing that the relevant Director and/or employee has failed to discharge his duties properly;
- (d) to obtain outside legal or other independent professional advice at the expenses of the Company on any matters within these terms of reference as it considers necessary and to secure the attendance of outsiders with relevant experience and expertise at its meetings;
- (e) to have access to sufficient resources in order to perform its duties;
- (f) to review annually these terms of reference and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary; and
- (g) to exercise such powers as the Committee may consider necessary and expedient so that their duties under section 6 below can be properly discharged.

5.2 The Company should provide the Committee with sufficient resources to perform its duties.

## 6. Duties of the Committee

### 6.1 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 remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (d) to make recommendations to the Board on the remuneration of non-executive Directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- (f) to review and approve 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) 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;
- (h) to ensure that no Director or any of his associates is involved in deciding his own remuneration;
- (i) to assess performance of executive Directors;
- (j) to consider and approve terms of executive Directors' service contracts;
- (k) to review and approve matters relating to share schemes under Chapter 17 of the Rules (the "**Listing Rules**") Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") from time to time; and
- (l) to consider and implement other matters, as defined or assigned by the Board or otherwise required by the Listing Rules from time to time.

## **7. Annual general meeting**

7.1 The Chairman of the Committee or in his absence, another member of the Committee or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to answer questions at the annual general meeting on the Committee's activities and their responsibilities.

## **8. Continuing application of the articles of association of the Company**

8.1 The articles of association of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

## **9. Powers of the Board**

9.1 The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including the Corporate Governance Code set out in Appendix 14 to the Listing Rules or if adopted by the Company, the Company's own code of corporate governance practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments or supplements to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended, supplemented or revoked.

## **10. Publication of the terms of reference of the Committee**

10.1 The Committee should make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the website of the Company and on the website of the Stock Exchange.

\* *For identification purposes only*