

**CIRCULAR DATED 14 OCTOBER 2021**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISOR OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings as defined in this Circular.

If you have sold or transferred all your ordinary shares in the capital of Nanofilm Technologies International Limited ("**Company**"), you should immediately inform the purchaser or transferee or bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular (together with the Notice of EGM and accompanying Proxy Form) may be accessed at the Company's website at <http://www.nti-nanofilm.com/investors/annual-reports-and-general-meetings> and SGXNET.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.

This Circular has been made available on SGXNET and the Company's website and may be accessed at the Company's website via the URL <http://www.nti-nanofilm.com/investors/annual-reports-and-general-meetings>. A printed copy of this Circular will NOT be despatched to Shareholders.

**Due to the current COVID-19 situation and related safe distancing measures in Singapore, Shareholders will not be able to attend the EGM.** Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) observing the EGM proceedings via "live" webcast or listening to the EGM proceedings via "live" audio feed, (b) submitting questions in advance of the EGM, and/or (c) voting by appointing the Chairman as proxy at the EGM. Please refer to paragraph 9 of this Circular for further details.

Shareholders should note that the Company may make further changes to its EGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the COVID-19 Act and any regulations promulgated thereunder (including the COVID-19 Order) as well as other guidelines issued by the relevant authorities) as the situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNET.



## **NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED**

(Company Registration No.: 199902564C)  
(Incorporated in the Republic of Singapore)

### **CIRCULAR TO SHAREHOLDERS**

#### **IN RELATION TO**

#### **THE PROPOSED ADOPTION OF THE NANOFILM RESTRICTED SHARE PLAN**

##### **IMPORTANT DATES AND TIMES**

Last date and time for lodgment of Proxy Form	:	26 October 2021 at 2.00 p.m.
Last date and time to pre-register online to attend the EGM	:	26 October 2021 at 2.00 p.m.
Date and time of EGM	:	29 October 2021 at 2.00 p.m.
Place of EGM	:	The EGM will be convened and held by way of electronic means.

Credit Suisse (Singapore) Limited and Oversea-Chinese Banking Corporation Limited are the Joint Issue Managers for the initial public offering of shares in, and listing of, the Company on the Mainboard of the SGX-ST.

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## DEFINITIONS

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In this Circular, the following definitions apply throughout unless the context otherwise requires:

<b>"ACRA"</b>	:	The Accounting and Corporate Regulatory Authority of Singapore
<b>"Annual Limit"</b>	:	Has the meaning ascribed to it in paragraph 2.2.6 of the Letter to Shareholders
<b>"Associated Company"</b>	:	A company in which at least twenty (20) per cent. but not more than fifty (50) per cent. of its shares are held by the Company and/or any of its subsidiaries, or a subsidiary of such company, and over whose management the Company has control (as defined in the Listing Manual)
<b>"Associated Company Employee"</b>	:	Any employee of an Associated Company (including any Associated Company Executive Director)
<b>"Associated Company Executive Director"</b>	:	A director of an Associated Company who performs an executive function
<b>"Auditors"</b>	:	The auditors of the Company for the time being
<b>"Award"</b>	:	A contingent award of Shares granted under the Nanofilm Restricted Share Plan
<b>"Award Date"</b>	:	In relation to an Award, the date on which the Award is granted pursuant to the Nanofilm Restricted Share Plan
<b>"Award Letter"</b>	:	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee
<b>"Board" or "Board of Directors"</b>	:	The board of directors of the Company
<b>"CDP"</b>	:	The Central Depository (Pte) Limited
<b>"Circular"</b>	:	This circular to Shareholders dated 14 October 2021
<b>"Clawback Determination Date"</b>	:	Has the meaning ascribed to it in paragraph 2.2.8 of the Letter to Shareholders
<b>"Clawback Period"</b>	:	Has the meaning ascribed to it in paragraph 2.2.8 of the Letter to Shareholders
<b>"Clawback Right"</b>	:	Has the meaning ascribed to it in paragraph 2.2.8 of the Letter to Shareholders
<b>"Committee"</b>	:	A committee comprising Directors duly authorised and appointed by the Board to administer the Nanofilm Restricted Share Plan
<b>"Companies Act"</b>	:	The Companies Act (Chapter 50 of Singapore), as amended, modified or supplemented from time to time
<b>"Company"</b>	:	Nanofilm Technologies International Limited
<b>"Constitution"</b>	:	The constitution of the Company, as amended, modified or supplemented from time to time

<b>"COVID-19 Act"</b>	:	The COVID-19 (Temporary Measures) Act 2020 (No. 14 of 2020) of Singapore, as amended, modified or supplemented from time to time, which, <i>inter alia</i> , enables the Minister for Law by order to prescribe alternative arrangements for listed companies in Singapore to conduct general meetings, either wholly or partly, by electronic communication, video conferencing, tele-conferencing or other electronic means
<b>"COVID-19 Order"</b>	:	The COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, as amended, modified or supplemented from time to time, which sets out the alternative arrangements in respect of, <i>inter alia</i> , general meetings of companies
<b>"Credited"</b>	:	The act whereby Shares which are allotted or transferred on the Release of an Award to a Participant issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant
<b>"Directors"</b>	:	The directors of the Company as at the date of this Circular, and each a <b>"Director"</b>
<b>"EGM"</b>	:	The extraordinary general meeting of the Company to be held on 29 October 2021 at 2.00 p.m., notice of which is set out on page 51 of this Circular
<b>"EPS"</b>	:	Earnings per Share
<b>"Group"</b>	:	The Company and its subsidiaries
<b>"Group Employee"</b>	:	Any employee of the Company or an employee with the Group (including any Group Executive Director)
<b>"Group Executive Director"</b>	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function
<b>"Independent Directors"</b>	:	An independent director of the Company and/or any of its subsidiaries, as the case may be
<b>"Latest Practicable Date"</b>	:	The latest practicable date prior to the electronic dissemination of this Circular, being 12 October 2021
<b>"Listing Manual"</b>	:	The Listing Manual of the SGX-ST as may be amended, modified or supplemented from time to time
<b>"Nanofilm ESOS 2020"</b>	:	The Nanofilm Employee Share Option Scheme 2020 approved by the Company on 9 October 2020, as amended or modified from time to time.
<b>"Nanofilm Restricted Share Plan"</b>	:	The proposed Nanofilm Restricted Share Plan, as may be amended or modified from time to time
<b>"New Shares"</b>	:	The new Shares which may be allotted and issued from time to time pursuant to the vesting of Awards granted under the Nanofilm Restricted Share Plan

<b>"Non-Executive Director"</b>	: A director of:
	(a) the Company and/or any of its subsidiaries, other than a Group Executive Director; or
	(b) an Associated Company, other than an Associated Company Executive Director
<b>"Notice of EGM"</b>	: The notice of EGM which is set out on page 51 of this Circular
<b>"NTA"</b>	: Net tangible assets
<b>"Participant"</b>	: The holder of an Award (including, where applicable, the executor or personal representative of such holder)
<b>"Performance-related Award"</b>	: An Award in relation to which a Performance Condition is specified
<b>"Performance Condition"</b>	: In relation to a Performance-related Award, the performance condition prescribed by the Committee to be fulfilled or satisfied by the Participant as specified on the Award Date in relation to that Award
<b>"Performance Period"</b>	: In relation to a Performance-related Award, a period, the duration of which is to be determined by the Committee on the Award Date, during which the Performance Condition is to be satisfied
<b>"Proposed Adoption of the Nanofilm Restricted Share Plan"</b>	: The proposed adoption of the Nanofilm Restricted Share Plan
<b>"Record Date"</b>	: The date fixed by the Company for the purposes of determining entitlements to dividends, rights, allotments or other distributions of holders of Shares
<b>"Register"</b>	: The register of members of the Company
<b>"Release"</b>	: In relation to an Award, the release, at the end of each Vesting Period, of the Shares to be released on such date and <b>"Released"</b> shall be construed accordingly
<b>"Release Schedule"</b>	: In relation to an Award, a schedule in such form as the Committee shall approve, in accordance with which Shares which are the subject of that Award shall be Released at the end of each Vesting Period
<b>"Release Value"</b>	: In relation to the Released Shares, means the aggregate of the prevailing value of all the Released Shares (being either:
	(a) the closing price of the Shares on the Singapore Exchange on:
	(i) in respect of existing Shares which are Credited to the Participant, the date on which the Shares are Credited to the Participant; or
	(ii) in respect of New Shares Credited to the Participant, the date on which the New Shares are listed on the Singapore Exchange; or

- (b) if the Committee is of the opinion that the closing price as determined above in (a) is not representative of the prevailing value of the Shares, the closing price of the Shares on the Singapore Exchange on the Clawback Determination Date or such other reference price as the Committee may determine in its discretion)

<b>"Released Shares"</b>	:	Has the meaning ascribed to it in paragraph 2.2.8 of the Letter to Shareholders
<b>"Retention Period"</b>	:	In relation to an Award, such period commencing on the Vesting Date in relation to that Award as may be determined by the Committee on the Award Date
<b>"SFA"</b>	:	The Securities and Futures Act (Chapter 289 of Singapore), as amended, modified or supplemented from time to time
<b>"SFRS(I) 2"</b>	:	The Singapore Financial Reporting Standards (International) 2, Share-based Payment
<b>"Share Plans"</b>	:	The Nanofilm Restricted Share Plan and the Nanofilm ESOS 2020
<b>"Shares"</b>	:	Ordinary shares in the capital of the Company
<b>"SGX-ST" or "Singapore Exchange"</b>	:	Singapore Exchange Securities Trading Limited
<b>"Shareholders"</b>	:	Holders of Shares as indicated on the Register and Depositors who have Shares entered against their names in the Depository Register
<b>"subsidiary holdings"</b>	:	Has the meaning ascribed to it in the Listing Manual
<b>"Substantial Shareholder"</b>	:	A person who, in accordance with the Companies Act, has an interest in not less than five per cent. of the issued voting Shares
<b>"Vesting"</b>	:	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and "Vest" and "Vested" shall be construed accordingly
<b>"Vesting Date"</b>	:	In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares shall be Vested pursuant to the Nanofilm Restricted Share Plan
<b>"Vesting Period"</b>	:	In relation to an Award, a period or periods, the duration of which is to be determined by the Committee on the Award Date, the expiry of which Shares which are subject to the applicable period shall be Vested to the relevant Participant on the relevant Vesting Date, subject to the Nanofilm Restricted Share Plan
<b>"S\$" and "cents"</b>	:	Singapore dollars and cents, respectively, being the lawful currency for the time being of the Republic of Singapore
<b>"%" or "per cent."</b>	:	Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term "**subsidiary**" shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons, where applicable, shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Unless the context requires otherwise, any word defined under the Companies Act, the SFA, the Listing Manual or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to that word under the Companies Act, the SFA, the Listing Manual or that modification, as the case may be.

Any reference to a time of day or date in this Circular shall be a reference to a time of day or date, as the case may be, in Singapore unless otherwise specified.

In this Circular, unless otherwise stated, the total number of issued Shares in the capital of the Company is 658,524,710 Shares (excluding treasury shares) as at the Latest Practicable Date. As at the Latest Practicable Date, the total number of treasury shares held by the Company is 4,918,400. All percentages calculated with reference to the issued Shares are rounded to the nearest two decimal places.

Any discrepancies in the figures included in this Circular (if any) between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

Rajah & Tann Singapore LLP has been appointed as the Singapore legal adviser to the Company in relation to the Proposed Adoption of the Nanofilm Restricted Share Plan.

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## LETTER TO SHAREHOLDERS

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### NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED

(Company Registration Number: 199902564C)  
(Incorporated in the Republic of Singapore)

#### Board of Directors:

Dr Shi Xu	(Executive Chairman and Chief Executive Officer)
Mr Gary Ho Hock Yong	(Executive Director)
Mr James Rowan	(Non-Executive Non-Independent Director)
Ms Ong Siew Koon	(Non-Executive Lead Independent Director)
@ Ong Siew Khoon	
Mr Kristian John Robinson	(Non-Executive Independent Director)
Ms Lee Lee Khoon	(Non-Executive Independent Director)
Mr Wan Kum Tho	(Non-Executive Independent Director)

#### Registered Office:

28 Ayer Rajah  
Crescent  
#02-02/03  
Singapore 139959

14 October 2021

To: The Shareholders of the Company

Dear Sir/Madam

### THE PROPOSED ADOPTION OF THE NANOFILM RESTRICTED SHARE PLAN

#### 1 INTRODUCTION

- 1.1 The Directors are convening the EGM to be held on 29 October 2021 to seek Shareholders' approval for the Proposed Adoption of the Nanofilm Restricted Share Plan as an ordinary resolution (the "**Resolution**").
- 1.2 The purpose of this Circular is to provide Shareholders with information relating to the Proposed Adoption of the Nanofilm Restricted Share Plan to be tabled at the EGM.

The SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy of any of the statements or opinions made or reports contained in this Circular.

- 1.3 The SGX-ST has on 12 October 2021 granted its approval in-principle for the listing and quotation of the New Shares to be allotted and issued (from time to time upon the vesting of Awards granted) pursuant to the Nanofilm Restricted Share Plan, subject to, *inter alia*, independent Shareholders' approval being obtained for the Nanofilm Restricted Share Plan. The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Nanofilm Restricted Share Plan, the New Shares, the Company and/or its subsidiaries.

#### 2 THE PROPOSED ADOPTION OF THE NANOFILM RESTRICTED SHARE PLAN

The Company proposes to adopt a restricted share plan known as the "Nanofilm Restricted Share Plan" which will be subject to Shareholders' approval at the EGM.

##### 2.1 Rationale for the Nanofilm Restricted Share Plan

The Nanofilm Restricted Share Plan is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding Group Employees and Associated Company Employees who have contributed to the growth of the Group. The Nanofilm Restricted Share Plan will also enable grants of fully paid Shares to be made to Non-Executive Directors, including as part of their



remuneration in respect of their office as such in lieu of cash. The Nanofilm Restricted Share Plan will give Participants an opportunity to have a personal equity interest in the Company and will help to achieve the following positive objectives:

- (a) to motivate the Participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key Group Employees and Associated Company Employees whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to instil loyalty to, and a stronger identification by employees with the long-term prosperity of, the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the shareholders of the Company;
- (e) to align the interests of Group Employees, Associated Company Employees and Non-Executive Directors with the interests of the shareholders of the Company; and
- (f) to give recognition to the contributions made or to be made by Non-Executive Directors to the success of the Group.

The Nanofilm Restricted Share Plan will provide incentives to high-performing key senior management and employees to excel in their performance and encourage greater dedication and loyalty to the Group through pre-determined targets, a method which is fairly commonly used among major local and multinational companies. Through the Nanofilm Restricted Share Plan, the Group will be able to motivate key senior management and employees to continue to strive for the Group's long-term shareholder value. In addition, the Nanofilm Restricted Share Plan aims to foster a greater ownership culture within the Group which more directly aligns the interests of key senior management and employees with the interests of Shareholders, and to improve performance and achieve sustainable growth for the Group in the changing business environment.

The Company believes that the Nanofilm Restricted Share Plan will be an effective tool in motivating key senior management and employees to strive to deliver long-term shareholder value.

Under the Nanofilm Restricted Share Plan, the size of the Award granted to a Participant will be determined at the discretion of the Committee based on, among others, in the case of a Group Employee or an Associated Group Employee, his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group, and (in the case of a Performance-related Award) the extent of effort and difficulty with which the Performance Condition(s) may be achieved within the Performance Period and, in the case of a Non-Executive Director, his board and committee appointments and attendance, and his contribution to the success and development of the Group. The Performance Period, Vesting Period and other conditions will be determined by the Committee administering the Nanofilm Restricted Share Plan.

#### Rationale for participation of Non-Executive Directors (including Independent Directors)

The extension of the Nanofilm Restricted Share Plan to Non-Executive Directors (which includes Independent Directors) allows the Group to have a fair and equitable system to reward Directors and employees who have made and who continue to make significant contributions to the long-term growth of the Group.

The Company believes that the Nanofilm Restricted Share Plan will also enable the Company to attract, retain and provide incentives to its Participants to achieve higher standards of performance as well as encourage greater dedication and loyalty by enabling the Company to

give recognition to past contributions and services as well as motivating Participants to contribute towards the long-term growth of the Group.

Although the Non-Executive Directors (including Independent Directors) are not involved in the day-to-day running of the Group, they also play an invaluable role in the Group's success by applying their experience, drawing on their knowledge and utilising their expertise for the benefit of the Group. It is desirable that the Non-Executive Directors (including Independent Directors) be allowed to participate in the Nanofilm Restricted Share Plan to give recognition to their services and contributions and to further align their interests with that of the Group.

In order to minimise any possible conflicts of interest, and so as not to compromise the objectivity of independent members of the Board who may, in the future, be selected to participate in the Nanofilm Restricted Share Plan, the Non-Executive Directors (including Independent Directors) would primarily continue to be remunerated for their services by way of directors' fees. It is envisaged that Awards that may be granted to Non-Executive Directors (including Independent Directors) would be intended only as a token of appreciation. For the avoidance of doubt, it is the intention that the bulk of Awards that are granted pursuant to the Restricted Share Plan will be to the Group Employees and Associated Company Employees, as they will comprise the core group of Participants. It is the intention that any Award granted to Independent Directors be measured and balanced against considerations if such Award could interfere or be reasonably perceived to interfere with the exercise of independent business judgement by the Independent Director.

The Committee when deciding on the selection of Non-Executive Directors (including Independent Directors) to participate in the Nanofilm Restricted Share Plan and the number of Shares to be offered (in accordance with the Nanofilm Restricted Share Plan) will take into consideration the nature and extent of their input, assistance and expertise rendered to the committees on which they sit and the impact thereof on the growth, success and development of the Company and the Group, as well as their involvement and commitment to the Board. Non-Executive Directors (including Independent Directors) will abstain from making any recommendation as a Director and abstain from voting as a member of the Company when the grant of Awards to him is being considered.

Where the Company extends the Nanofilm Restricted Share Plan to Associated Company Employees, the Company will ensure that it has control over any such Associated Companies prior to extending the Nanofilm Restricted Share Plan to such persons.

#### Difference between the Nanofilm Restricted Share Plan and the Nanofilm ESOS 2020

The purpose of adopting more than one share plan is to give the Company more flexibility to design appropriate incentive packages. The Nanofilm Restricted Share Plan and the Nanofilm ESOS 2020 will complement each other as tools to reward, retain and motivate the participants whose services and contributions are vital to the well-being and success of the Group.

While the Nanofilm ESOS 2020 is designed to provide its participants with an opportunity to participate in the equity of the Company through options which they may exercise to subscribe for Shares upon payment of the acquisition price, the Nanofilm Restricted Share Plan is designed to reward Participants by the award of Shares, through the Vesting of such Awards according to the extent to which the Performance Conditions (if any) imposed under the Award are achieved at the end of a specified Performance Period.

The relevant employees to whom the options are granted under the Nanofilm ESOS 2020 may or may not have the financial resources to exercise such options and to pay the consideration for the underlying Shares. Depending on the market price of the Shares, there may also not be any incentive for the participants to exercise their options granted under the Nanofilm ESOS 2020. The Nanofilm Restricted Share Plan therefore affords the Company an additional compensation tool, allowing it to minimise such market risks and award Shares directly to Participants. This allows the Company to better attract, motivate, reward and maintain a core group of key executives, and strengthens the Company's competitiveness in attracting and retaining suitable talent.

Awards granted under the Nanofilm Restricted Share Plan to Group Employees and Associated Company Employees will typically vest only after satisfactory completion of service conditions, that is, after the Participant has served the Group or Associated Company for a specified number of years (time-based restricted Awards) or, where the Award is performance-related (performance-based restricted Awards), after a further period of service beyond the performance target completion date. No minimum vesting periods are prescribed under the Nanofilm Restricted Share Plan, and the length of the vesting period(s) in respect of each Award will be determined on a case-by-case basis.

A time-based restricted Award may be granted, for example, as a supplement to the cash component of the remuneration packages of employees. A performance-based restricted Award may be granted, for example, with a performance target based on the successful completion of a project, or on the Company meeting certain specified corporate target(s), and thereafter with a further vesting period to encourage the Participant to continue serving the Group for a further period of time following the completion of the project.

The duration of each Performance Period (if applicable) will serve to align the Participants' performance goals with the corresponding performance cycle of the Company, and the strategies and objectives for the Group over the short to medium term. The Nanofilm Restricted Share Plan thus seeks to focus Participants on short to medium term critical performance targets, to develop a reward-for-performance culture in the Group, to encourage Participants to continuously improve their performance, and to retain high performing employees. As the actual number of Award Shares which the Participant will receive under the Nanofilm Restricted Share Plan will depend ultimately on the extent to which he satisfies the Performance Condition(s) set for each Performance Period, this creates a strong incentive for the Participant to focus on assigned tasks and to excel, and to encourage greater dedication and loyalty to the Group.

When deciding on the number of Award Shares or options to award or grant (as the case may be) to a participant at any one point in time under the Nanofilm Restricted Share Plan and the Nanofilm ESOS 2020, the respective committees will also take into consideration the number of Award Shares or options to be awarded or granted (as the case may be) to that participant under any other share scheme at that time, if any.

Generally, in setting performance conditions or benchmarks for Participants under the Nanofilm Restricted Share Plan, and in particular, for Performance-related Awards, the Committee intends to consider the previous and current performance of each Participant, and seeks to set performance targets or benchmarks which are incremental and are an improvement from the previous or current performance of the Participant, in order to drive the improvement in performance for the Company. In setting such performance conditions, the Committee will also take into consideration relevant factors such as the Participant's years of service with the Company, market conditions, scope of work of the Participant, and any qualitative criteria which may constitute appropriate performance conditions. On the other hand, the assessment criteria in relation to the grant of options pursuant to the Nanofilm ESOS 2020 are more general and factors such as the employee's seniority, performance, length of service and potential for future development are relevant. These do not relate to specific performance conditions or targets that have to be met.

## 2.2 **Summary of Rules**

The detailed rules of the Nanofilm Restricted Share Plan are set out in its entirety in the Appendix to this Circular. The following is a summary of the principal rules of the Nanofilm Restricted Share Plan.

### 2.2.1 Eligibility

Under the rules of the Nanofilm Restricted Share Plan, the following persons, unless they are also controlling shareholders (as defined in the Listing Manual) of the Company or their associates (as defined in the Listing Manual), shall be eligible to participate in the Nanofilm Restricted Share Plan at the discretion of the Committee:

- (a) Group Employees who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time;
- (b) Associated Company Employees who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time and who, in the opinion of the Committee, have contributed or have the potential to contribute to the success of the Group; and
- (c) Non-Executive Directors.

Controlling shareholders of the Company and their associates will not be eligible to participate in the Nanofilm Restricted Share Plan.

#### 2.2.2 Awards

Awards under the Nanofilm Restricted Share Plan represent the right of a Participant to receive fully paid Shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed Performance Condition(s) (if any) are met and upon the expiry of the prescribed Vesting Period(s), if any.

#### 2.2.3 Participants

The selection of a Participant and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Nanofilm Restricted Share Plan shall be determined at the discretion of the Committee. In the case of a Group Employee or an Associated Company Employee, the Committee shall take into account such criteria as it considers fit, including (but not limited to) his rank, job performance, years of service, potential for future development, his contribution to the success and development of the Group, and (in the case of a Performance-related Award) the extent of effort and difficulty with which the Performance Condition(s) may be achieved within the Performance Period. In the case of a Non-Executive Director, the Committee shall take into account such criteria as it considers fit, including (but not limited to) such Non-Executive Director's board and committee appointments and attendance, and his contribution to the success and development of the Group

No Performance-related Awards may be granted to Non-Executive Directors (including Independent Directors) under the Nanofilm Restricted Share Plan.

#### 2.2.4 Details of Awards

The Committee shall decide, in relation to each Award:

- (a) the Participant;
- (b) the Award Date;
- (c) the number of Shares which are the subject of that Award;
- (d) in the case of a Performance-related Award;
  - (i) the Performance Period;
  - (ii) the Performance Condition(s); and
  - (iii) the extent to which Shares which are the subject of that Award shall be Released on the prescribed Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;

- (e) the Vesting Period(s) of the Award, if any;
- (f) the Vesting Date(s) of the Award, if any;
- (g) the Release Schedule of the Awards, if any;
- (h) the Retention Period in relation to any or all of the Shares comprised in the Award, if any; and
- (i) any other condition which the Committee may determine in relation to the Award.

An Award Letter confirming the Award and specifying (*inter alia*) the Vesting Period(s) (if any) and Vesting Date(s), the Release Schedule (if any), the Retention Period (if any) and, in relation to a Performance-related Award, the prescribed Performance Condition(s), the Performance Period during which the prescribed Performance Condition(s) are to be satisfied and the extent to which the Shares which are the subject of that Award will be Released on satisfaction of the prescribed Performance Condition(s), will be sent to each Participant as soon as reasonably practicable after the making of an Award.

#### 2.2.5 Events prior to Vesting Date

Special provisions for the Vesting and lapsing of Awards apply in certain circumstances, which include, amongst others, the following:

- (a) an order being made or a resolution being passed for the winding-up of the Company on the basis of, or by reason of, its insolvency;
- (b) the misconduct on the part of the Participant (including a breach of any laws of a country in which a company within the Group or an Associated Company operates) on the part of the Participant or where the Participant has committed any misfeasance, fraud or breach of trust or duty in relation to the Group, any company within the Group or an Associated Company (including in violation of the Company's policies and compliance standards) in each case as determined by the Committee in its discretion;
- (c) where the Participant (or any subordinate over whom such Participant had, at the material time, oversight responsibilities) had, in the opinion of the Committee, at any time, engaged in conduct that:
  - (i) directly or indirectly caused, resulted in and/or contributed to, or is likely, in the opinion of the Committee, to cause, result in and/or contribute to (whether directly or indirectly):
    - (1) any financial loss or reputational harm to the Group, any company within the Group or an Associated Company; and/or
    - (2) the need for a restatement of the financial results or financial statements (whether audited or unaudited) of the Group, any company within the Group or an Associated Company; and/or
    - (3) any adverse change in the risk profile or rating of the Group, any company within the Group or an Associated Company; and/or
  - (ii) is otherwise detrimental to the Group, any company within the Group or an Associated Company, and/or detrimental to the business

conducted by the Group, any company within the Group or an Associated Company;

- (d) where the Participant is a Group Employee or an Associated Company Employee, upon the Participant ceasing to be in the employment of the Group or the relevant Associated Company, as the case may be, for any reason whatsoever (other than as specified in sub-paragraph (f) below);
- (e) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;
- (f) the Participant, being a Group Employee or an Associated Company Employee, ceasing to be in the employment of the relevant company within the Group or the relevant Associated Company, as the case may be by reason of:
  - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
  - (ii) redundancy;
  - (iii) retirement at or after the legal retirement age;
  - (iv) retirement before the legal retirement age with the consent of the Committee;
  - (v) the company by which he is employed ceasing to be a company within the Group or an Associated Company, as the case may be, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group or to an Associated Company, as the case may be;
  - (vi) (where applicable) the transfer of a Participant's employment from the Group to an Associated Company or vice versa; or
  - (vii) any other event approved by the Committee;
- (g) the Participant, being a Non-Executive Director, ceases to be a Non-Executive Director for any reason whatsoever;
- (h) the death of a Participant;
- (i) any other event approved by the Committee; or
- (j) a take-over for the Shares becoming or being declared unconditional, a scheme for the reconstruction or amalgamation of the Company being sanctioned by the court or a resolution for a members' solvent voluntary winding-up being made (other than for amalgamation or reconstruction).

Upon the occurrence of any of the events specified in sub-paragraphs (a), (b), (c) and (d) above, an Award then held by a Participant shall, as provided in the rules of the Nanofilm Restricted Share Plan and to the extent not yet Released or (even if Released) not yet Vested, immediately lapse without any claim whatsoever against the Company.

Upon the occurrence of any of the events specified in sub-paragraphs (e), (f), (g), (h) and (i) above, the Committee may, in its discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period (if any) and/or each Vesting Period and subject to the provisions of the Nanofilm Restricted Share Plan.

Upon the occurrence of the event specified in sub-paragraph (j) above, the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Vesting Period(s) or Performance Period which has (have) elapsed, and in the case of Performance-related Awards, the extent to which the Performance Condition(s) has (have) been satisfied.

#### 2.2.6 Size and Duration of the Nanofilm Restricted Share Plan

The total number of Shares which may be delivered pursuant to Awards granted under the Nanofilm Restricted Share Plan on any date, when added to:

- (a) the total number of New Shares allotted and issued and/or to be allotted and issued, issued Shares (including treasury shares) delivered and/or to be delivered, and Shares released and/or to be released in the form of cash in lieu of Shares, pursuant to all Awards granted under the Nanofilm Restricted Share Plan;
- (b) the total number of new Shares allotted and issued and/or to be allotted and issued, and issued Shares (including treasury shares) delivered and/or to be delivered, pursuant to options already granted under the Nanofilm ESOS 2020; and
- (c) the total number of new Shares subject to any other share option or share schemes adopted by the Company after the listing of Shares on the SGX-ST,

shall not exceed 5% of the total number of issued Shares of the Company (excluding Shares held by the Company as treasury shares and subsidiary holdings) on the date preceding the date of the relevant Award.

The Committee currently does not intend, in any given year, to grant Awards under the Nanofilm Restricted Share Plan such that the aggregate number of Shares which are the subject of the Awards granted in that year would comprise more than 0.5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), from time to time (the “**Annual Limit**”). However, the Company may issue to Participants one-off transformation incentive awards tied to highly-stretched performance targets from time to time, in which event the aggregate number of Shares which are the subject of Awards granted in that year may exceed the Annual Limit. If, however, the Annual Limit is not fully utilised in any given year, the balance of the unutilised Annual Limit may be used by the Company to make grants of Awards in subsequent years for the duration of the Nanofilm Restricted Share Plan.

The Nanofilm Restricted Share Plan shall continue in force at the discretion of the Committee for the maximum period commencing on the date on which the Nanofilm Restricted Share Plan is adopted by the Company in general meeting and ending on 8 October 2030, which coincides with the expiry date of the Nanofilm ESOS 2020, provided always that the Nanofilm Restricted Share Plan may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The expiry or termination of the Nanofilm Restricted Share Plan shall not affect Awards granted to Participants whether such Awards have been released (fully or partially) by the Committee.

#### 2.2.7 Operation of the Nanofilm Restricted Share Plan

Subject to prevailing legislation and guidelines issued by the SGX-ST, the Company will deliver Shares to Participants upon vesting of their Awards, either by way of an

issue of New Shares, deemed to be fully paid upon their issuance and allotment, or the delivery of existing Shares (including treasury shares).

In determining whether to issue New Shares or to deliver existing Shares to Participants, the Company will take into account factors such as (but not limited to) the amount of cash available, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of the various modes of settlement.

The financial effects of the above methods are discussed in paragraph 3 below. The Company has the flexibility, and if the circumstances require, to approve the release of an Award, wholly or partly, in the form of cash rather than Shares.

New Shares allotted and issued, and existing Shares procured by the Company for transfer, pursuant to the Release of an Award shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

In the case of Performance-related Awards, the Committee shall have the discretion to determine whether a Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make reference to the audited results of the Company, the Group or an Associated Company, as the case may be, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further the right to amend the Performance Condition(s) if the Committee decides that a changed performance target would be a fairer measure of performance. In the event that the Committee determines in its discretion that the Participant has not satisfied the Performance Condition or if the Participant is no longer eligible to participate in the Nanofilm Restricted Share Plan, such Award shall lapse and be of no value.

#### 2.2.8 Clawback Right

The grant of each Award, each Release of Shares and each payment in lieu of Shares which would otherwise have been Released to the Participant under the Nanofilm Restricted Share Plan is subject to, and conditional upon, the Company's right of clawback provided in the Nanofilm Restricted Share Plan.

Under these provisions, if certain exceptional circumstances occur in relation to a Participant, the Committee can cancel all or any part of any Award to the extent not yet Released to such Participant, and exercise the right of clawback ("**Clawback Right**") in respect of Shares which were released ("**Released Shares**") within the clawback period ("**Clawback Period**"), which is (six) 6 years prior to the date on which the Committee makes the determination to exercise the Clawback Right ("**Clawback Determination Date**").

The exceptional circumstances are where:

- (a) the grant of a relevant Award was based (in whole or in part) on inaccurate financial statements (irrespective of when such inaccuracy was discovered and irrespective of who caused such inaccuracy, and whether such financial statements were audited or unaudited);
- (b) the Participant (or any subordinate over whom such Participant had, at the material time, oversight responsibilities) had, at any time, engaged in conduct that:
  - (i) directly or indirectly caused, resulted in and/or contributed to, or is likely (in the opinion of the Committee) to cause, result in and/or contribute to (whether directly or indirectly):



- (1) any financial loss or reputational harm to the Group, any company within the Group or an Associated Company; and/or
  - (2) the need for a restatement of the financial results or financial statements (whether audited or unaudited) of the Group, any company within the Group or an Associated Company; and/or
  - (3) any adverse change in the risk profile or rating of the Group, any company within the Group or an Associated Company; and/or
- (ii) is otherwise detrimental to the Group, any company within the Group or an Associated Company, and/or detrimental to the business conducted by the Group, any company within the Group or an Associated Company; or
- (c) the Participant had, at any time, engaged in any misconduct (including a breach of any laws of a country in which a company within the Group or an Associated Company operates) or committed any misfeasance, fraud or breach of trust or duty in relation to the Group, any company within the Group or an Associated Company (including in violation of the Company's policies and compliance standards).

The Committee has the sole and absolute discretion to determine the amount which the Participant is required to return to the Company, subject to a limit being the aggregate of the following:

- (aa) in respect of such of the Released Shares in relation to which the Participant received cash in lieu, the aggregate payments received by such Participant (in lieu of such Released Share which would otherwise have been released to the Participant under the Nanofilm Restricted Share Plan) prior to the Clawback Determination Date; and
- (bb) in respect of all other Released Shares,
  - (I) the Release Value of all such Released Shares;
  - (II) the aggregate value of all cash distributions and cash dividends which have been paid by the Company in respect of such Released Shares prior to the Clawback Determination Date (whether received by the Participant or not); and
  - (III) the aggregate prevailing value of all dividends-in-specie, bonus shares, rights issues and other rights or benefits (other than the distributions and cash dividends referred to in paragraph 2.2.8(bb)(II) above) which have been distributed in respect of, derived from or attributable to, such Released Shares prior to the Clawback Determination Date (whether received by the Participant or not).

The Clawback Right is in addition to, and without prejudice to, any right or remedy that the Company has vis-à-vis a Participant (whether under the Nanofilm Restricted Share Plan, contract, tort or any other theory of law).

## 2.2.9 Adjustments and Modifications

### (a) Adjustment Events

If a variation in the issued ordinary share capital or reserves of the Company (whether by way of a bonus issue, rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place, or if the Company shall make a declaration of a special dividend (whether in cash or *in specie*), then the Committee may as it deems appropriate determine whether:

- (i) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
- (ii) the class and/or number of Shares in respect of which future Awards may be granted under the Nanofilm Restricted Share Plan,

shall be adjusted and, if so, the manner in which such adjustment shall be made. Any such adjustment shall be made in a way that a Participant will not receive a benefit that a Shareholder does not receive.

The issue of securities as consideration for an acquisition or a private placement of securities, or upon the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the Singapore Exchange during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.

Any adjustment (except in relation to a bonus issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

### (b) Modifications

Any or all the provisions of the Nanofilm Restricted Share Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:

- (i) no modification or alteration shall adversely affect the rights attached to:
  - (A) in the case of a Performance-related Award, any such Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who have been granted Performance-related Awards and who, if their Awards were Released to them upon the Performance Condition(s) for such Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all such outstanding Awards upon the Performance Condition(s) for all such outstanding Awards being satisfied in full;
  - (B) in the case of an Award other than a Performance-related Award, any such Award granted prior to such modification or alteration except with the consent in writing of such number of

Participants who have been granted Awards other than Performance-related Awards and who, if their Awards were Released to them on the applicable Vesting Dates relating to their Awards, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all such outstanding Awards upon the expiry of all the Vesting Periods (if any) applicable to all such outstanding Awards;

- (ii) no alteration shall be made to particular definitions and certain rules of the Nanofilm Restricted Share Plan to the advantage of Participants except with the prior approval of Shareholders in general meeting; and
- (iii) no modification or alteration shall be made without the prior approval of the Singapore Exchange and such other regulatory authorities as may be necessary.

Additionally, the Committee may at any time by resolution (and without other formality, save for the prior approval of the Singapore Exchange) amend or alter the Nanofilm Restricted Share Plan in any way to the extent necessary to cause the Nanofilm Restricted Share Plan to comply with, or take into account any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Companies Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the Singapore Exchange).

### 2.3 Disclosure in Annual Report

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Nanofilm Restricted Share Plan continues in operation:

- (a) the names of the members of the Committee administering the Nanofilm Restricted Share Plan;
- (b) in respect of the following Participants of the Nanofilm Restricted Share Plan:
  - (i) Participants who are Directors; and
  - (ii) Participants (other than those in paragraph 2.3(b)(i) above) who have received Shares pursuant to the Release of Awards granted under the Nanofilm Restricted Share Plan which, in aggregate, represent five (5) per cent. or more of the total number of Shares available under the Nanofilm Restricted Share Plan,

the following information:

- (1) the name of the Participant;
- (2) the following particulars relating to the Release of Awards under the Nanofilm Restricted Share Plan:
  - (aa) the number of New Shares issued to such Participant during the financial year under review; and
  - (bb) the number of existing Shares transferred to such Participant during the financial year under review;

- (c) in relation to the Nanofilm Restricted Share Plan, the following particulars:
- (i) the aggregate number of Shares comprised in Awards granted under the Plan since the commencement of the Plan to the end of the financial year under review;
  - (ii) the aggregate number of Shares comprised in Awards which have been Released under the Nanofilm Restricted Share Plan during the financial year under review and in respect thereof, the proportion of:
    - (A) New Shares issued; and
    - (B) existing Shares transferred and, where existing Shares were purchased for transfer, the range of prices at which such Shares have been purchased,upon the Release of the Awards granted under the Nanofilm Restricted Share Plan; and
  - (iii) the aggregate number of Shares comprised in Awards granted under the Nanofilm Restricted Share Plan which have not been Released, as at the end of the financial year under review.

### **3 FINANCIAL EFFECTS OF THE NANOFILM RESTRICTED SHARE PLAN**

The following sets out the financial effects of the Nanofilm Restricted Share Plan.

#### **3.1 Cost of Awards**

The accounting treatment of the Awards granted under the Nanofilm Restricted Share Plan would be in accordance with SFRS(I) 2. Participants may receive Shares or their equivalent cash value, or combinations thereof.

In the event that the Participants receive Shares, the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

- (a) The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the profit and loss account over the period between the Award Date and the Vesting Date of an Award when the conditions for Vesting are satisfied. The total amount of the charge over the Vesting Period is determined by reference to the fair value of each Award granted at the Award Date and the number of Shares Vested at the Vesting Date, with a corresponding credit to reserve account. Before the end of the Vesting Period, at each reporting date, the estimate of the number of Awards that are expected to Vest by the Vesting Date is revised, and the impact of the revised estimate is recognised in the profit and loss account with a corresponding adjustment to equity. After the Vesting Date, no adjustment to the charge to the profit and loss account is made.
- (b) The amount charged to the profit and loss account would be the same whether the Company settles the Awards using New Shares or existing Shares. The amount of the charge to the profit and loss account also depends on whether or not the Performance Condition attached to an Award is a “market condition”, as defined in SFRS(I) 2; that is, a condition which is related to the market price of the Shares. If the Performance

Condition is a market condition, the probability of the Performance Condition being met is taken into account in estimating the fair value of the Awards granted at the Award Date, and no adjustments to amounts charged to profit and loss account are made if the market condition is not met. On the other hand, if the Performance Condition is not a market condition, the probability of the condition being met is not taken into account in estimating the fair value of the Shares granted at the Award Date. Instead, it is subsequently considered at each accounting date in assessing whether the Awards would Vest. If the Performance Condition is not a market condition, the fair value per Share of the Awards granted at the Award Date is used to compute the amount to be charged to the profit and loss statement at each reporting date, based on an assessment by the management at that date of whether the non-market conditions would be met to enable the Awards to vest. Thus, where the conditions for Vesting do not include a market condition, there would be no charge to the profit and loss account if the Awards do not ultimately Vest because of failure to satisfy a condition for Vesting.

In the event that the Participants have the right to receive the aggregate market price of the Shares in cash in lieu of the allotment or transfer of Shares, the Company shall measure the fair value of the liability as a cash-settled share-based payment transaction. Until the liability is settled, the Company shall re-measure the fair value of the liability at each reporting date and at the date of settlement, with changes in the fair value recognised in the profit and loss statement.

### **3.2 Share Capital**

The Nanofilm Restricted Share Plan will result in an increase in the Company's issued ordinary share capital only if New Shares are issued to Participants. The number of New Shares issued will depend on, *inter alia*, the size of the Awards granted under the Nanofilm Restricted Share Plan. In any case, the total number of Shares which may be delivered pursuant to Awards granted under the Nanofilm Restricted Share Plan is limited in the manner set out in paragraph 2.2.6 of this Circular.

If, instead of issuing New Shares to Participants, existing Shares are purchased for delivery to Participants or if the Company pays the equivalent cash value, the Nanofilm Restricted Share Plan will have no impact on the Company's issued ordinary share capital.

### **3.3 NTA**

As described below in the paragraph on EPS, the Nanofilm Restricted Share Plan is likely to result in a charge to the Company's profit and loss account over the period from the Award Date to the Vesting Date of the Awards. The amount of the charge will be computed in accordance with SFRS(I) 2. If New Shares are issued under the Nanofilm Restricted Share Plan, there would be no effect on the NTA. However, if instead of issuing New Shares to Participants, existing Shares are purchased for delivery to Participants or if the Company pays the equivalent cash value, the NTA would decrease by the cost of the existing Shares purchased or the cash payment, respectively.

### **3.4 EPS**

The Nanofilm Restricted Share Plan is likely to result in a charge to earnings over the period from the Award Date to the Vesting Date, computed in accordance with SFRS(I) 2, as well as an increase in the number of Shares issued if New Shares are issued for the Nanofilm Restricted Share Plan.

It should be noted that the delivery of Shares to Participants under the Nanofilm Restricted Share Plan will generally be contingent upon the Participants meeting prescribed Performance Conditions and/or other conditions for Vesting.

### 3.5 Dilutive Impact

It is expected that the dilutive impact of the Nanofilm Restricted Share Plan on the NTA per Share and EPS will not be significant.

The Nanofilm Restricted Share Plan provides that the total number of Shares which may be delivered pursuant to Awards granted under the Nanofilm Restricted Share Plan on any date, when added to the total number of New Shares allotted and issued and/or to be allotted and issued, issued Shares (including treasury shares) delivered and/or to be delivered, and Shares released and/or to be released in the form of cash in lieu of Shares, pursuant to all Awards granted under the Nanofilm Restricted Share Plan, the Nanofilm ESOS 2020 and any other share option or share schemes adopted by the Company after the listing of Shares on the SGX-ST, shall not exceed 5% of the total number issued Shares of the Company (excluding Shares held by the Company as treasury shares and subsidiary holdings) on the date preceding the date of the relevant Award.

In addition, as stated in paragraph 2.2.6 above, the Committee currently does not intend, in any given year, to grant Awards under the Nanofilm Restricted Share Plan such that the aggregate number of Shares which are the subject of the Awards granted in that year would comprise more than 0.5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time. Accordingly, there will be no significant dilution of Shareholders' shareholding percentages as a result of the introduction of the Nanofilm Restricted Share Plan.

## 4 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

### 4.1 Interests of Directors

As at the Latest Practicable Date, the interests of the Directors in the Shares as recorded in the Register of Directors' Shareholdings, are set out below:

Name of Director	Direct Interest (No. of Shares)	% <sup>(1)</sup>	Deemed Interest (No. of Shares)	% <sup>(1)</sup>
Dr Shi Xu	44,257,573	6.72	311,584,895	47.32
Mr Gary Ho Hock Yong	680,000	0.10	620,000 <sup>(2)</sup>	0.09
Mr Kristian John Robinson	120,000	0.02	-	-
Mr Wan Kum Tho	-	-	10,000 <sup>(3)</sup>	n.m. <sup>(4)</sup>

(1) The percentage shareholdings are as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date and have not been recomputed based on the 658,524,710 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

(2) Mr Gary Ho Hock Yong is deemed to be interested in the 620,000 Shares held through his nominee, Citibank Nominees Singapore Pte Ltd.

(3) Mr Wan Kum Tho is deemed to be interested in the 10,000 Shares held through his nominee, Citibank Nominees Singapore Pte Ltd.

(4) Not meaningful.

## 4.2 Interests of Substantial Shareholders

As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares as recorded in the Register of Substantial Shareholders, are set out below:

Name of Substantial Shareholder	Direct Interest (No. of Shares)	% <sup>(1)</sup>	Deemed Interest (No. of Shares)	% <sup>(1)</sup>
Pearl Yard Holdings Inc ("Pearl Yard")	253,709,960	38.54	-	-
Harrymore International Limited ("Harrymore")	47,684,560	7.24	-	-
Dr Shi Xu <sup>(2)</sup>	44,257,573	6.72	311,584,895	47.32
Mdm Jin Xiao Qun <sup>(3)</sup>	10,190,375	1.55	47,684,560	7.24
Venezio Investments Pte Ltd ("Venezio")	47,579,947	7.22	-	-
Napier Investment Pte. Ltd. ("Napier") <sup>(4)</sup>	-	-	47,579,947	7.22
Tembusu Capital Pte. Ltd. ("Tembusu") <sup>(4)</sup>	-	-	47,729,947	7.24
Temasek Holdings (Private) Limited ("Temasek") <sup>(5)</sup>	-	-	47,729,947	7.24
SMALLCAP World Fund, Inc. <sup>(6)</sup>	33,637,000	5.09	-	-
Capital Research and Management Company ("CRMC") <sup>(6)</sup>	-	-	43,670,700	6.61
The Capital Group Companies, Inc ("CGC") <sup>(7)</sup>	-	-	43,670,700	6.61

### Notes:

- (1) The percentage shareholdings are as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date and have not been recomputed based on the 658,524,710 issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Dr Shi Xu is the sole shareholder of Pearl Yard. Accordingly, for the purposes of Section 4 of the SFA, Dr Shi Xu is treated as having an interest in the 253,709,960 Shares held by Pearl Yard. In addition, for the purposes of Section 133(4) of the SFA, Dr Shi Xu is deemed to have an interest in 57,874,935 Shares in which his spouse, Mdm Jin Xiao Qun, has an interest, comprising (i) direct interests in 10,190,375 Shares and (ii) deemed interests in 47,684,560 Shares held by Harrymore.
- (3) Mdm Jin Xiao Qun holds more than 20% of the shares of Harrymore. Accordingly, for the purposes of Section 4 of the SFA, Mdm Jin Xiao Qun is treated as having an interest in the 47,684,560 Shares held by Harrymore.
- (4) Napier is a wholly-owned subsidiary of Tembusu. Napier's deemed interest arises from the direct interest held by Venezio, which is a wholly-owned subsidiary of Napier.
- (5) Tembusu is a wholly-owned subsidiary of Temasek. Tembusu's deemed interest arises from the aggregation of the interests of Venezio, and SeaTown Holdings Pte. Ltd..
- (6) Temasek's deemed interest arises from the aggregation of the interests of Venezio and SeaTown Holdings Pte. Ltd..
- (7) CGC is the parent company of CRMC and Capital Bank & Trust Company ("CB&T"). CRMC is a U.S.-based investment management company that serves as investment manager to the American Funds family of mutual funds, other pooled investment vehicles, as well as individual and institutional clients. CRMC and its investment manager affiliates manage equity assets for various investment companies through three divisions, Capital Research Global Investors, Capital International Investors and Capital World Investors. CRMC is the parent company of Capita Group International, Inc. ("CGII"), which in turn is the parent company of four investment management companies ("CGII management companies"): Capital International, Inc., Capital International Limited, Capital International Sàrl and Capital International K.K. CGII management companies and CB&T primarily serve as investment managers to institutional and high net worth clients.

CB&T is a U.S.-based investment management company that is a registered investment adviser and an affiliated federally chartered bank.

Neither CGC nor any of its affiliates own shares of the Company for its own account. Rather, the shares notified to the Company are owned by accounts under the discretionary investment management of one or more of the investment management companies described above.

As CGII is the parent company of the CGII management companies, CGII has a deemed interest in the total shares managed by the CGII management companies.

As CRMC is the parent company of CGII, in accordance with Sections 4(4) and 4(5) of the SFA, CRMC has a deemed interest in the total shares managed by the CGII management companies, in addition to the shares directly managed by CRMC.

As CGC is the parent company of CRMC and CB&T, pursuant to Sections 4(4) and 4(5) of the SFA, CGC is deemed interested in the total aggregate interest of CRMC and CB&T.

CRMC is the investment adviser to SMALLCAP World Fund, Inc., a mutual fund organized as a Delaware statutory trust. SMALLCAP World Fund, Inc. has direct interest in the Company, with a shareholding of 33,637,000 shares (5.09%).

## **5 DIRECTORS' RECOMMENDATION**

All of the Directors (save for Dr Shi Xu, Executive Chairman and Chief Executive Officer of the Company who is a controlling shareholder of the Company), are eligible to participate in the Nanofilm Restricted Share Plan. All of the Directors (save for Dr Shi Xu) are therefore deemed to be interested in the Proposed Adoption of the Nanofilm Restricted Share Plan. Accordingly, all of the Directors (save for Dr Shi Xu) have refrained from making any recommendations to Shareholders in respect of the Resolution as set out in the Notice of EGM.

Dr Shi Xu, Executive Chairman and Chief Executive Officer of the Company, is of the opinion that the Proposed Adoption of the Nanofilm Restricted Share Plan is in the best interests of the Company. Accordingly, he recommends that Shareholders vote in favour of the Resolution as set out in the Notice of EGM.

## **6 ABSTENTION FROM VOTING**

Any Shareholder who is eligible to participate in the Nanofilm Restricted Share Plan must abstain from voting his Shares in the EGM in respect of the Resolution in relation to the Proposed Adoption of the Nanofilm Restricted Share Plan, and the Company will disregard any votes cast by such Shareholders in respect of his Shares on the Resolution.

The Chairman of the EGM will accept appointment as proxy for any other Shareholder to vote in respect of the Resolution relating to the Proposed Adoption of the Nanofilm Restricted Share Plan to be proposed at the EGM, where such Shareholder has given specific instructions in a validly completed and submitted Proxy Form as to voting or abstention from voting in respect of the Resolution.

## **7 EXTRAORDINARY GENERAL MEETING**

### Date and time of EGM

The EGM is convened for the purpose of considering and, if thought fit, passing with or without any modification, the Resolution as set out in the Notice of EGM.

The EGM, notice of which is set out on page 51 of this Circular, will be held by way of electronic means.



### No attendance at EGM

Due to the current COVID-19 situation and related safe distancing measures in Singapore, **Shareholders will not be able to attend the EGM in person.** Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by:

- (a) observing the EGM proceedings via "live" webcast or listening to the EGM proceedings via "live" audio feed;
- (b) submitting questions in advance of the EGM; and/or
- (c) voting by appointing the Chairman of the EGM as proxy at the EGM.

Please refer to paragraph 9 below for further details on the alternative arrangements.

**In addition, Shareholders should note that the Company may make further changes to its EGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the COVID-19 Act and any regulations promulgated thereunder (including the COVID-19 Order) as well as other guidelines issued by the relevant authorities) as the situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNET.**

## **8 NO DESPATCH OF PRINTED COPIES OF CIRCULAR, NOTICE OF EGM AND PROXY FORM**

In line with the provisions under the COVID-19 Order, no printed copies of this Circular, the Notice of EGM and the Proxy Form in respect of the EGM will be despatched to Shareholders.

A copy of this Circular, the Notice of EGM and the Proxy Form have been uploaded on SGXNet and are also available on the Company's website via the following URL: <http://www.nti-nanofilm.com/investors/annual-reports-and-general-meetings>.

A Shareholder will need an Internet browser and PDF reader to view these documents on SGXNet and the Company's designated website.

Shareholders are advised to read the Circular carefully in order to decide whether they should vote in favour of or against the Resolution in relation to the Proposed Adoption of the Nanofilm Restricted Share Plan to be proposed at the EGM.

## **9 ACTION TO BE TAKEN BY SHAREHOLDERS**

### Alternative arrangements

Alternative arrangements have been put in place to allow Shareholders to participate at the EGM as follows:

#### **(a) "Live" webcast and "live" audio feed**

Dr Shi Xu, the Executive Chairman of the Company, will conduct the proceedings of the EGM as chairman of the EGM by way of electronic means.

Shareholders and CPF Investors and SRS Investors will be able to (i) observe these proceedings through a "live" webcast via their mobile phones, tablets or computers, or (ii) listen to these proceedings through a "live" audio feed via telephone.

In order to do so, Shareholders and CPF Investors and SRS Investors must follow the following steps:

- (1) Those who wish to observe the "live" webcast or listen to the "live" audio feed must pre-register no later than 2.00 p.m. on 26 October 2021, by clicking on the following link and submitting the online registration form: <https://smartagm.sg/NANOFILM2021EGM>.
- (2) They will be required to complete and submit the online registration form for verification purposes.
- (3) Following verification, an email confirmation containing instructions on how to access the "live" webcast and audio feed of the EGM proceedings will be sent to authenticated Shareholders and CPF Investors and SRS Investors by 12.00 p.m. on 28 October 2021.

Shareholders and CPF Investors and SRS Investors who have registered by the registration deadline but do not receive the email confirmation by 12.00 p.m. on 28 October 2021 should contact the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., for assistance at +65 6536 5355 or email at [SRS.TeamE@boardroomlimited.com](mailto:SRS.TeamE@boardroomlimited.com).

Investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) ("**Investors**") (other than CPF Investors and SRS Investors) will not be able to pre-register at <https://smartagm.sg/NANOFILM2021EGM> for the "live" broadcast of the EGM. An Investor (other than CPF/SRS investors) who wishes to participate in the "live" broadcast of the EGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Company's Share Registrar, Boardroom & Corporate Advisory Services Pte. Ltd., via email to [SRS.TeamE@boardroomlimited.com](mailto:SRS.TeamE@boardroomlimited.com) no later than 2.00 p.m. on 26 October 2021.

**(b) Submission of questions in advance**

Shareholders may submit questions relating to the Resolution in relation to the Proposed Adoption of the Nanofilm Restricted Share Plan in advance of the EGM. All questions must be submitted by 2.00 p.m. on 26 October 2021 in the following manner:

- (1) via the pre-registration website at the following link: <https://smartagm.sg/NANOFILM2021EGM>;
- (2) by email via the following email: [SRS.TeamE@boardroomlimited.com](mailto:SRS.TeamE@boardroomlimited.com); or
- (3) by post to the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

The Company will address substantial and relevant questions received from Shareholders, in advance of (through the publication of the Company's response on the SGXNET and the Company's website) or during the EGM.

The Company will, within one month after the date of the EGM, publish the minutes of the EGM on SGXNet and the Company's website, and the minutes will include the responses to the questions referred to above.

Members will not be able to ask questions at the EGM "live" during the webcast or audio-only stream, and therefore it is important for Shareholders to pre-register and submit their questions in advance of the EGM.

In view of the current COVID-19 situation and the related safe distancing measures in Singapore which may make it difficult to submit questions by post, Shareholders are strongly encouraged to submit their questions via the pre-registration website or by email.

**(c) Voting by proxy only**

Shareholders will not be able to vote online on the Resolution to be tabled for approval at the EGM. Instead, if Shareholders (whether individual or corporate) wish to exercise their votes, they must submit a proxy form to appoint **the Chairman of the EGM** as their proxy to attend, speak and vote on their behalf at the EGM:

- (1) Shareholders (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to voting, or abstentions from voting, in respect of the Resolution in the proxy form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
- (2) The duly executed proxy form must be submitted to the Company in the following manner:
  - if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
  - if submitted electronically, be submitted via email to SRS.TeamE@boardroomlimited.com,in either case, by 2.00 p.m. on 26 October 2021 (being 72 hours before the time fixed for the EGM).
- (3) Investors (other than CPF Investors/SRS Investors) who wish to vote should approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. CPF Investors and SRS Investors who wish to exercise their votes by appointing the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including their respective CPF Agent Banks or SRS Operators) to submit their voting instructions by 2.00 p.m. on 20 October 2021 in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by 2.00 p.m. on 26 October 2021.

In view of the current COVID-19 situation and the related safe distancing measures in Singapore which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

As the Company may make further changes to its EGM arrangements as the situation evolves, Shareholders are advised to keep abreast of any such changes as may be announced by the Company as may be made from time to time on SGXNet.

Depositor not member

A Depositor will not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register as certified by CDP to the Company at least 72 hours before the EGM.

## 10 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm, after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Adoption of the Nanofilm Restricted Share Plan, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

## 11 DOCUMENTS AVAILABLE FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, the following documents are available for inspection during normal business hours at the registered office of the Company at 28 Ayer Rajah Crescent #02-02/03, Singapore 139959, for a period commencing from the date of this Circular up to the date of the EGM:

- (a) the Constitution;
- (b) the annual report of the Company for the financial year ended 31 December 2020; and
- (c) the proposed rules of the Nanofilm Restricted Shares Plan.

Yours faithfully

For and on behalf of the Board of Directors of  
**NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED**

Dr Shi Xu  
Executive Chairman and Chief Executive Officer

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**APPENDIX**  
**RULES OF THE NANOFILM RESTRICTED SHARE PLAN**

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**RULES OF THE NANOFILM RESTRICTED SHARE PLAN 2021**

**1. NAME OF THE PLAN**

The Plan shall be called the "**Nanofilm Restricted Share Plan 2021**".

**2. DEFINITIONS**

**2.1** In the Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

<i>"Adoption Date"</i>	:	The date on which the Nanofilm Restricted Share Plan is adopted by the Company in general meeting.
<i>"Associated Company"</i>	:	A company in which at least twenty (20) per cent. but not more than fifty (50) per cent. of its shares are held by the Company and/or any of its subsidiaries, or a subsidiary of such company, and over whose management the Company has control (as defined in the Listing Manual).
<i>"Associated Company Employee"</i>	:	Any employee of an Associated Company (including any Associated Company Executive Director).
<i>"Associated Company Executive Director"</i>	:	A director of an Associated Company who performs an executive function.
<i>"Auditors"</i>	:	The auditors of the Company for the time being.
<i>"Award"</i>	:	A contingent award of Shares granted under Rule 5.
<i>"Award Date"</i>	:	In relation to an Award, the date on which the Award is granted pursuant to Rule 5.
<i>"Award Letter"</i>	:	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee.
<i>"Board"</i>	:	The board of directors of the Company for the time being.
<i>"CDP"</i>	:	The Central Depository (Pte) Limited.
<i>"Clawback Determination Date"</i>	:	Has the meaning ascribed to it in Rule 8.4.
<i>"Clawback Notification Date"</i>	:	Has the meaning ascribed to it in Rule 8.4(a).
<i>"Clawback Period"</i>	:	Has the meaning ascribed to it in Rule 8.2(b).
<i>"Clawback Right"</i>	:	Has the meaning ascribed to it in Rule 8.2(b).

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**APPENDIX**  
**RULES OF THE NANOFILM RESTRICTED SHARE PLAN**

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<i>"Committee"</i>	:	A committee comprising Directors duly authorised and appointed by the Board to administer the Plan.
<i>"Communication"</i>	:	Has the meaning ascribed to it in Rule 12.4.
<i>"Companies Act"</i>	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
<i>"Company"</i>	:	Nanofilm Technologies International Limited, a company incorporated in the Republic of Singapore.
<i>"Compromised Security Device"</i>	:	Has the meaning ascribed to it in Rule 12.9.
<i>"Constitution"</i>	:	The constitution of the Company, as modified or altered from time to time.
<i>"Credited"</i>	:	Has the meaning ascribed to it in Rule 7.5.3.
<i>"Depository Agent"</i>	:	Has the meaning ascribed to it in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.
<i>"Director(s)"</i>	:	The directors of the Company for the time being or, where applicable, any one of them.
<i>"Group"</i>	:	The Company and its subsidiaries.
<i>"Group Employee"</i>	:	Any employee of the Company or an employee with the Group (including any Group Executive Director).
<i>"Group Executive Director"</i>	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function.
<i>"Listing Manual"</i>	:	The Listing Manual of the Singapore Exchange, as amended or modified from time to time.
<i>"Market Value"</i>	:	In relation to a Share, on any day:  (a) the volume-weighted average price of a Share on the Singapore Exchange over the three (3) immediately preceding Trading Days; or  (b) if the Committee is of the opinion that the Market Value as determined in accordance with (a) above is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

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## APPENDIX

### RULES OF THE NANOFILM RESTRICTED SHARE PLAN

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- "Nanofilm ESOS 2020"* : The Nanofilm Employee Share Option Scheme 2020 approved by the Company on 9 October 2020, as modified or altered from time to time.
- "New Shares"* : The new Shares which may be allotted and issued from time to time pursuant to the vesting of Awards granted under the Plan.
- "Non-Executive Director"* A director of:
- (a) the Company and/or any of its subsidiaries, other than a Group Executive Director; or
  - (b) an Associated Company, other than an Associated Company Executive Director.
- "Participant"* : The holder of an Award (including, where applicable, the executor or personal representative of such holder).
- "Performance-related Award"* : An Award in relation to which a Performance Condition is specified.
- "Performance Condition"* : In relation to a Performance-related Award, the performance condition prescribed by the Committee to be fulfilled or satisfied by the Participant as specified on the Award Date in relation to that Award.
- "Performance Period"* : In relation to a Performance-related Award, a period, the duration of which is to be determined by the Committee on the Award Date, during which the Performance Condition is to be satisfied.
- "Plan"* : The Nanofilm Restricted Share Plan 2021 adopted or to be adopted by the Company, as the same may be and as modified or altered from time to time.
- "Record Date"* : The date fixed by the Company for the purposes of determining entitlements to dividends, rights, allotments or other distributions of holders of Shares.
- "Recoverable Monies"* : Has the meaning ascribed to it in Rule 8.2(b).
- "Release"* : In relation to an Award, the release, at the end of each Vesting Period, of the Shares to be released on such date and "Released" shall be construed accordingly.
- "Release Schedule"* : In relation to an Award, a schedule in such form as the Committee shall approve, in accordance with which Shares which are the subject of that Award shall be Released at the end of each Vesting Period.

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**APPENDIX**  
**RULES OF THE NANOFILM RESTRICTED SHARE PLAN**

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<i>"Release Value"</i>	:	In relation to Released Shares, has the meaning ascribed to it in Rule 8.4(b)(ii).
<i>"Released Award"</i>	:	An Award which has been Released in full or in part in accordance with Rule 7.
<i>"Released Shares"</i>	:	Has the meaning given to it in Rule 8.2(b).
<i>"Retention Period"</i>	:	In relation to an Award, such period commencing on the Vesting Date in relation to that Award as may be determined by the Committee on the Award Date.
<i>"Security Device"</i>	:	Any smartcard, digital certificate, digital signature, encryption device, electronic key, logon identifier, password, personal identification number, and/or other code or any access procedure incorporating any one or more of the foregoing, designated by the Company for use in conjunction with the Plan.
<i>"Security Notification"</i>	:	Has the meaning ascribed to it in Rule 12.9.
<i>"Shares"</i>	:	Ordinary shares in the capital of the Company.
<i>"Singapore Exchange"</i>	:	The Singapore Exchange Securities Trading Limited.
<i>"subsidiary holdings"</i>	:	Has the meaning ascribed to it in the Listing Manual.
<i>"Trading Day"</i>	:	A day on which the Shares are traded on the Singapore Exchange.
<i>"Vesting"</i>	:	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and "Vest" and "Vested" shall be construed accordingly.
<i>"Vesting Date"</i>	:	In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares shall be Vested pursuant to Rule 7.
<i>"Vesting Period"</i>	:	In relation to an Award, a period or periods, the duration of which is to be determined by the Committee on the Award Date, the expiry of which Shares which are subject to the applicable period shall be Vested to the relevant Participant on the relevant Vesting Date, subject to Rule 7.
<i>"\$"</i>	:	Singapore dollars.
<i>"%" or "per cent."</i>	:	Per centum or percentage.



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**RULES OF THE NANOFILM RESTRICTED SHARE PLAN**

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- 2.2** For purposes of the Plan, the Company shall be deemed to have control over another company if it has the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of that company.
- 2.3** Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons, where applicable, shall include corporations.
- 2.4** Any reference to a time of a day in the Plan is a reference to Singapore time.
- 2.5** Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Unless the context requires otherwise, any word defined under the Companies Act or the Listing Manual (or any modification thereof) and used in the Plan shall have the meaning assigned to it under the Companies Act or the Listing Manual as the case may be.

**3. OBJECTIVES OF THE PLAN**

The Plan is a share incentive scheme. The Plan is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding Group Employees and Associated Company Employees who have contributed to the growth of the Group. The Plan will also enable grants of fully paid Shares to be made to Non-Executive Directors, including as part of their remuneration in respect of their office as such in lieu of cash. The Plan will give Participants an opportunity to have a personal equity interest in the Company and will help to achieve the following positive objectives:

- (a) to motivate the Participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key Group Employees and Associated Company Employees whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to instil loyalty to, and a stronger identification by employees with the long-term prosperity of, the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the shareholders of the Company;
- (e) to align the interests of Group Employees, Associated Company Employees and Non-Executive Directors with the interests of the shareholders of the Company; and
- (f) to give recognition to the contributions made or to be made by Non-Executive Directors to the success of the Group.

**4. ELIGIBILITY OF PARTICIPANTS**

The following persons, unless they are also controlling shareholders (as defined in the Listing Manual) of the Company or their associates (as defined in the Listing Manual), shall be eligible to participate in the Plan at the discretion of the Committee:

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**RULES OF THE NANOFILM RESTRICTED SHARE PLAN**

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- (a) Group Employees who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time;
- (b) Associated Company Employees who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time and who, in the opinion of the Committee, have contributed or have the potential to contribute to the success of the Group; and
- (c) Non-Executive Directors.

**5. GRANT OF AWARDS**

**5.1** Subject as provided in Rule 9 and the Listing Manual, the Committee may grant Awards to Group Employees, Associated Company Employees and/or Non-Executive Directors, in each case, as the Committee may select, in its discretion, at any time during the period when the Plan is in force.

**5.2** The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the discretion of the Committee, which shall take into account such criteria as it considers fit, including (but not limited to), in the case of a Group Employee or an Associated Company Employee, his rank, job performance, years of service, potential for future development, his contribution to the success and development of the Group, and (in the case of a Performance-related Award) the extent of effort and difficulty with which the Performance Condition(s) may be achieved within the Performance Period and, in the case of a Non-Executive Director, his board and committee appointments and attendance, and his contribution to the success and development of the Group.

**5.3** No Performance-related Awards may be granted to Non-Executive Directors under the Plan.

**5.4** The Committee shall decide in relation to an Award:

- (a) the Participant;
- (b) the Award Date;
- (c) the number of Shares which are the subject of the Award;
- (d) in the case of a Performance-related Award:
  - (i) the Performance Period;
  - (ii) the Performance Condition(s); and
  - (iii) the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;
- (e) the Vesting Period(s), if any;

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- (f) the Vesting Date(s), if any;
- (g) the Release Schedule, if any;
- (h) the Retention Period in relation to any or all of the Shares comprised in the Award, if any; and
- (i) any other condition which the Committee may determine in relation to the Award.

**5.5** As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:

- (a) the Award Date;
- (b) the number of Shares which are the subject of the Award;
- (c) in the case of a Performance-related Award:
  - (i) the Performance Period;
  - (ii) the Performance Condition(s); and
  - (iii) the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;
- (d) the Vesting Period(s), if any;
- (e) the Vesting Date(s), if any;
- (f) the Release Schedule, if any;
- (g) the Retention Period in relation to any or all of the Shares comprised in the Award, if any; and
- (h) any other condition which the Committee may determine in relation to the Award.

**5.6** The Committee may amend or waive the Vesting Period(s), the Vesting Date(s), the Release Schedule, the Retention Period and/or any condition applicable to an Award, and in the case of a Performance-related Award, the Performance Period, the Performance Condition(s), and/or the extent to which the Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period in respect of that Award:

- (a) in the event of:
  - (i) a take-over offer being made for the Shares; or
  - (ii) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with

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**APPENDIX**

**RULES OF THE NANOFILM RESTRICTED SHARE PLAN**

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another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Companies Act; or

- (iii) an order being made or a resolution passed for the winding-up of the Company (other than as provided in Rule 6.1(a) or for reconstruction or amalgamation); or
  - (iv) a proposal to sell all or substantially all of the assets of the Company;
- (b) in the case of a Performance-related Award, if anything happens which causes the Committee to conclude that:
- (i) a changed Performance Condition would be a fairer measure of performance, and would be no less difficult to satisfy; or
  - (ii) the Performance Condition should be waived,

and shall notify the Participants of such change or waiver.

**5.7** Participants are not required to pay for the grant of Awards.

**5.8** An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.

**6. EVENTS PRIOR TO THE VESTING DATE**

**6.1** An Award shall, to the extent not yet Released or (even if Released) not yet Vested, immediately lapse without any claim whatsoever against the Company in the following events:

- (a) order being made or a resolution being passed for the winding-up of the Company on the basis of, or by reason of, its insolvency;
- (b) the misconduct on the part of the Participant (including a breach of any laws of a country in which a company within the Group or an Associated Company operates) on the part of the Participant or where the Participant has committed any misfeasance, fraud or breach of trust or duty in relation to the Group, any company within the Group or an Associated Company (including in violation of the Company's policies and compliance standards) in each case as determined by the Committee in its discretion;
- (c) where the Participant (or any subordinate over whom such Participant had, at the material time, oversight responsibilities) had, in the opinion of the Committee, at any time, engaged in conduct that:

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- (i) directly or indirectly caused, resulted in and/or contributed to, or is likely, in the opinion of the Committee, to cause, result in and/or contribute to (whether directly or indirectly):
  - (1) any financial loss or reputational harm to the Group, any company within the Group or an Associated Company; and/or
  - (2) the need for a restatement of the financial results or financial statements (whether audited or unaudited) of the Group, any company within the Group or an Associated Company; and/or
  - (3) any adverse change in the risk profile or rating of the Group, any company within the Group or an Associated Company; and/or
- (ii) is otherwise detrimental to the Group, any company within the Group or an Associated Company, and/or detrimental to the business conducted by the Group, any company within the Group or an Associated Company; or
- (d) subject to Rule 6.2(b), where the Participant is a Group Employee or an Associated Company Employee, upon the Participant ceasing to be in the employment of the Group or the relevant Associated Company, as the case may be, for any reason whatsoever. For the purpose of this Rule 6.1(d), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice is withdrawn prior to its effective date.

**6.2** In any of the following events, namely:

- (a) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;
- (b) where the Participant being a Group Employee or an Associated Company Employee, ceases to be in the employment of the relevant company within the Group or the relevant Associated Company, as the case may be by reason of:
  - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
  - (ii) redundancy;
  - (iii) retirement at or after the legal retirement age;
  - (iv) retirement before the legal retirement age with the consent of the Committee;
  - (v) the company by which he is employed ceasing to be a company within the Group or an Associated Company, as the case may be, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group or to an Associated Company, as the case may be;

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- (vi) (where applicable) the transfer of a Participant's employment from the Group to an Associated Company or *vice versa*; or
- (vii) any other event approved by the Committee;
- (c) where a Participant, being a Non-Executive Director, ceases to be a Non-Executive Director, for any reason whatsoever;
- (d) the death of a Participant; or
- (e) any other event approved by the Committee,

then the Committee may, in its discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period (if any) and/or each Vesting Period and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by the Participant, the proportion of the Vesting Period(s) which has (have) elapsed, and in the case of Performance-related Awards, the proportion of the Performance Period which has elapsed and the extent to which the Performing Condition(s) has (have) been satisfied.

**6.3** Without prejudice to the provisions of Rule 5.6, if before the Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies under the Companies Act; or
- (c) the shareholders of the Company pass a resolution for a members' solvent voluntary winding-up (other than for amalgamation or reconstruction),

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Vesting Period(s) or Performance Period which has (have) elapsed, and in the case of Performance-related Awards, the extent to which the Performance Condition(s) has (have) been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7. If the Committee so determines, the Release of Awards may be satisfied in cash as provided in Rule 7.

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**7. RELEASE OF AWARDS**

**7.1 Review of Performance Condition(s), in relation to Performance-related Awards**

7.1.1 In relation to each Performance-related Award, as soon as reasonably practicable after the end of the relevant Performance Period, the Committee shall review the Performance Condition(s) specified in respect of each Award and determine whether a Performance Condition has been satisfied and, if so, the extent to which it has been satisfied and the number of Shares (if any) comprised in such Award to be Released to the relevant Participant.

7.1.2 If the Committee determines in its discretion that the Performance Condition(s) has (have) not been satisfied or that any of the circumstances under Rule 6 applies to the relevant Participant, that Award shall lapse and be of no value and the provisions of Rules 7.2 to 7.8 shall be of no effect.

The Committee shall have the discretion to determine whether the Performance Condition(s) has (have) been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make reference to the audited results of the Company, the Group or an Associated Company, as the case may be, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further the right to amend the Performance Condition(s) if the Committee decides that a changed performance target would be a fairer measure of performance.

7.1.3 In relation to a Performance-related Award which is not subject to any Vesting Period, the Committee shall, subject to Rules 6, 7.1.1 and 7.1.2, Release to that Participant the number of Shares determined by the Committee under Rule 7.1.1 on the Vesting Date relating thereto, which shall be a Trading Day falling as soon as practicable (as determined by the Committee) after the last day of the review by the Committee referred to in Rule 7.1.1 and, the Committee will procure the allotment or transfer to each Participant of the number of Shares (which may, in the case of a transfer of Shares, include Shares held by the Company in treasury) so determined, as soon as practicable on or after the relevant Vesting Date. Such part of an Award not Released shall lapse and be of no value.

7.1.4 In relation to a Performance-related Award which is subject to a Vesting Period or Vesting Periods, the provisions of Rule 7.2 shall apply to the Release of Shares in respect of such Award.

**7.2 Vesting Period(s)**

7.2.1 Subject to the Committee having determined that, in relation to a Performance-related Award, the Performance Condition and in relation to all Awards, any condition applicable thereto, have been satisfied, subject to Rules 6, 7.1.1 (where applicable) and 7.1.2 (where applicable), provided that the relevant Participant continues to be a Group Employee or an Associated Company Employee, or a Non-Executive Director, as the case may be, from the Award Date up to the end of the relevant Performance Period (if any), and thereafter at the end of the relevant Vesting Period(s) in relation to an Award (if any) and, in the opinion of the Committee, the job performance of the relevant Participant has been satisfactory, upon the expiry of each Vesting Period in relation to an Award (if any), the Company shall Release to the relevant Participant the relevant number of Shares in accordance with the Release Schedule specified (if any) in respect of that Award on the relevant Vesting Date(s).

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7.2.2 Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date(s) relating thereto, in accordance with the Release Schedule specified in respect of his Award, which shall be a Trading Day falling as soon as practicable (as determined by the Committee) after the last day of the relevant Vesting Period and, the Committee will procure the allotment or transfer to each Participant of the number of Shares (which may, in the case of a transfer of Shares, include Shares held by the Company in treasury) so determined, as soon as practicable on or after the relevant Vesting Date.

**7.3 No Vesting Period**

In relation to an Award (other than a Performance-related Award) which is not subject to any Vesting Period, the Committee shall, subject to Rule 6, Release to the relevant Participant the relevant number of Shares on the Vesting Date relating thereto.

**7.4 Release Letter**

Where any Shares comprised in an Award are Released or to be Released to a Participant pursuant to Rules 7.1, 7.2 or 7.3, the Committee may, if it deems fit, send to that Participant a Release Letter specifying the number of Shares Released or to be Released to him pursuant thereto as soon as reasonably practicable after the Vesting Date or (if there is more than one Vesting Date) the first Vesting Date of that Award.

**7.5 Delivery of Shares**

7.5.1 Shares which are Released to a Participant pursuant to Rules 7.1, 7.2 or 7.3 shall be delivered on a Trading Day falling as soon as practicable (as determined by the Committee) on or after the relevant Vesting Date by way of an allotment or transfer to the Participant of the relevant number of Shares (which may, in the case of a transfer of Shares and to the extent permitted by law, include Shares held by the Company as treasury shares).

7.5.2 Where New Shares are allotted pursuant to Rule 7.5.1, the Company shall, as soon as practicable after such allotment, apply to the Singapore Exchange for permission to deal in and for quotation of such Shares.

7.5.3 Shares which are allotted or transferred on the Release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant (hereinafter referred to as "**Credited**").

**7.6 Ranking of Shares**

New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the Release of an Award shall:

- (a) be subject to all the provisions of the Constitution; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.



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**7.7 Cash Awards**

The Committee may determine to make a Release of an Award (other than an Award granted to a Non-Executive Director as part of his directors' remuneration in lieu of cash), wholly or partly, in the form of cash rather than Shares which would otherwise have been Released to the Participant on the relevant Vesting Date, in which event the Participant shall receive, as soon as practicable after the Vesting Date, in lieu of all or part of such Shares, the aggregate Market Value of such Shares on the Vesting Date.

For the avoidance of doubt, any Shares Released and/or to be Released in the form of cash in lieu of Shares will be disregarded for the purposes of computing the 5% limit referred to in Rule 9.1.

**7.8 Retention Period**

If a Retention Period is specified in an Award, Shares which are allotted or transferred on the Release of an Award to a Participant shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during such Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. The Company shall be at liberty to take any steps which it considers necessary or appropriate to enforce or give effect to the restriction on the transfer, charge, assignment, pledge or disposal of Shares during the Retention Period otherwise than in accordance with the Award Letter or as approved by the Committee.

**8. CLAWBACK RIGHT**

**8.1** The grant of each Award, each Release of Shares, and each payment in lieu of Shares which would otherwise have been Released to the Participant is subject to, and conditional upon, the Company's rights as set out in this Rule 8. For the avoidance of doubt, this Rule 8 (and the Company's rights thereunder) shall apply to every Award, without need for a reference to this Rule 8 in the Award Letter or for the Committee to decide that this Rule 8 shall apply (whether pursuant to Rule 5.4 or otherwise).

**8.2** If the Committee in its sole and absolute discretion determines that any of the exceptional circumstances enumerated in Rule 8.3 has occurred in relation to a Participant, then:

- (a) without prejudice to the provisions of Rule 6.1, the Committee may cancel all or part of any Award to the extent not yet Released to such Participant; and
- (b) in respect of all the Shares which were Released to such Participant within the period of 6 years prior to the Clawback Determination Date ("**Clawback Period**") (and, for the purposes of this Rule 8, a Share shall be deemed to have been Released to such Participant if such Participant had received payment of cash in lieu of such Share pursuant to Rule 7.7) (such Shares Released during the Clawback Period, the "**Released Shares**"), the Company has the right ("**Clawback Right**") to compel or otherwise require a Participant to (and the Participant shall) pay to the Company such amount(s) as determined by the Committee ("**Recoverable Monies**") up to the aggregate of:
  - (i) in respect of such of the Released Shares in relation to which the Participant received cash in lieu, the aggregate payments received by such Participant in

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lieu of such Released Shares pursuant to Rule 7.7 prior to the Clawback Determination Date; and

- (ii) in respect of all other Released Shares:
  - (1) the Release Value of all such Released Shares;
  - (2) the aggregate value of all cash distributions and cash dividends which have been paid by the Company in respect of such Released Shares prior to the Clawback Determination Date (whether received by the Participant or not); and
  - (3) the aggregate prevailing value of all dividends-in-specie, bonus shares, rights issues and other rights or benefits (other than the distributions and cash dividends referred to in Rule 8.2(b)(ii)(2)) which have been distributed in respect of, derived from or attributable to, such Released Shares prior to the Clawback Determination Date (whether received by the Participant or not),

subject to, in accordance with, and as more fully set out in, Rules 8.4 and 8.5.

**8.3** The exceptional circumstances referred to in Rule 8.2 are as follows:

- (a) any Award was granted to the Participant based (in whole or in part) on inaccurate financial statements (irrespective of when such inaccuracy was discovered and irrespective of who caused such inaccuracy, and whether such financial statements were audited or unaudited);
- (b) the Participant (or any subordinate over whom such Participant had, at the material time, oversight responsibilities) had, at any time, engaged in conduct that:
  - (i) directly or indirectly caused, resulted in and/or contributed to, or is likely (in the opinion of the Committee) to cause, result in and/or contribute to (whether directly or indirectly):
    - (1) any financial loss or reputational harm to the Group, any company within the Group or an Associated Company; and/or
    - (2) the need for a restatement of the financial results or financial statements (whether audited or unaudited) of the Group, any company within the Group or an Associated Company; and/or
    - (3) any adverse change in the risk profile or rating of the Group, any company within the Group or an Associated Company; and/or
  - (ii) is otherwise detrimental to the Group, any company within the Group or an Associated Company, and/or detrimental to the business conducted by the Group, any company within the Group or an Associated Company; or
- (c) the Participant had, at any time, engaged in any misconduct (including a breach of any laws of a country in which a company within the Group or an Associated Company operates) or committed any misfeasance, fraud or breach of trust or duty in relation to

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the Group, any company within the Group or an Associated Company (including in violation of the Company's policies and compliance standards).

**8.4** Following the Committee making the determination to exercise the Clawback Right (the date on which the determination is made, the "**Clawback Determination Date**"), the Clawback Right shall be exercised in the manner set out in this Rule 8.4.

- (a) The Committee shall, in its sole and absolute discretion, determine (1) the limit on the quantum of the Recoverable Monies pursuant to Rule 8.2(b), and (2) the quantum of the Recoverable Monies. The Committee shall then, within 30 calendar days of the Clawback Determination Date, issue a written notice to the Participant of the following (and the Participant shall be required to comply with all directions issued as part of or pursuant to such notice):
- (i) the Clawback Determination Date;
  - (ii) the quantum of the Recoverable Monies, which amount shall be due and payable to the Company in accordance with such notice;
  - (iii) the method of payment or transfer of the Recoverable Monies to the Company, and who shall bear the fees associated with such payment or transfer (if any);
  - (iv) the date by which the Participant has to pay or transfer the Recoverable Monies to the Company; and
  - (v) the interest that will accrue if the Participant fails to pay or transfer to the Company the whole of the Recoverable Monies by the date stipulated in such notification (if the Committee so decides in its sole and absolute discretion to impose such interest).

The date of such notice by the Committee to the Participant shall be the "**Clawback Notification Date**".

- (b) For the purposes of:
- (i) Rule 8.2(b)(i), the total of the payments made shall be calculated as follows:
    - (1) this amount shall be equal to the total cash paid (prior to the Clawback Determination Date) to the relevant Participant pursuant to Rule 7.7 in lieu of any of the Released Shares; and
    - (2) the amount referred to in sub-paragraph (1) above shall be the aggregate cash paid (prior to the Clawback Determination Date) to the relevant Participant pursuant to Rule 7.7 *simpliciter* and shall therefore not be adjusted for inflation, without prejudice to the interest payable by such Participant pursuant to Rule 8.4(a); and
  - (ii) Rule 8.2(b)(ii)(1), the "**Release Value**" of the Released Shares means the aggregate of the prevailing value of all the Released Shares (being either (i) the closing price of the Shares on the Singapore Exchange on (A) in respect of existing Shares which are Credited to the Participant, the date on which the Shares are Credited to the Participant, or (B) in respect of New Shares Credited

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to the Participant, the date on which the New Shares are listed on the Singapore Exchange, or (ii) if the Committee is of the opinion that the closing price as determined above in (i) is not representative of the prevailing value of the Shares, the closing price of the Shares on the Singapore Exchange on the Clawback Determination Date or such other reference price as the Committee may determine in its discretion).

- (c) The Company may exercise its Clawback Right more than once, provided that the Recoverable Monies as determined by the Committee for the purposes of such subsequent exercise shall not include any amount which has been paid or which is payable to the Company pursuant to the Company's previous exercise(s) of its Clawback Right in respect of the Released Shares which are the subject of such subsequent exercise.
  - (d) The Participant acknowledges and agrees that:
    - (i) the Participant shall have no right under any circumstances to recover any part of any amount which has been paid or transferred to the Company;
    - (ii) under no circumstances will the amount of money that is payable by the Participant to the Company pursuant to Rule 8.4 be reduced in any way; and
    - (iii) any part of the Recoverable Monies which the Participant has failed to pay or transfer to the Company in accordance with a notice issued by the Committee pursuant to Rule 8.4 shall, together with the interest accrued in accordance with such notice, be a debt due and payable by such Participant to the Company.
  - (e) The Participant shall not have any right of dispute, set-off, deduction or withholding against the Company. The Company, by contrast, shall have the right to set-off any sum or liability owed by the Company to the Participant, whether arising under the Plan or otherwise, and whether as damages or otherwise.
  - (f) The quantum of the Recoverable Monies shall be quoted and payable in Singapore dollars or such other currency (and using such exchange rate) as may be determined by the Committee in its discretion.
- 8.5** The Clawback Right is, for the avoidance of doubt, enforceable against all Participants, including Participants whose Awards have fully Vested and/or been Released or the Shares which are the subject of such Awards that have been fully Released, and including Participants who have ceased to be employed by a company within the Group or an Associated Company (as the case may be) and Participants who were Non-Executive Directors and who have ceased to be a director of a company within the Group or an Associated Company (as the case may be).
- 8.6** The Clawback Right is in addition, and without prejudice, to any right or remedy that the Company has vis-à-vis a Participant (whether under the Plan, contract, tort or any other theory of law).

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**9. LIMITATION ON THE SIZE OF THE PLAN**

**9.1** The total number of Shares which may be delivered pursuant to Awards granted under the Plan on any date, when added to:

- (a) the total number of New Shares allotted and issued and/or to be allotted and issued, issued Shares (including treasury shares) delivered and/or to be delivered, and Shares Released and/or to be Released in the form of cash in lieu of Shares, pursuant to all Awards granted under the Plan;
- (b) the total number of new Shares allotted and issued and/or to be allotted and issued, and issued Shares (including treasury shares) delivered and/or to be delivered, pursuant to options already granted under the Nanofilm ESOS 2020; and
- (c) the total number of Shares subject to any other share option or share schemes adopted by the Company after the listing of Shares on the Singapore Exchange,

shall not exceed five (5) per cent. of the total number of issued Shares (excluding Shares held by the Company as treasury shares and subsidiary holdings) on the date preceding the date of the relevant Award.

**9.2** Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

**10. ADJUSTMENT EVENTS**

**10.1** If a variation in the issued ordinary share capital or reserves of the Company (whether by way of a bonus issue or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place or if the Company shall make a declaration of a special dividend (whether in cash or *in specie*), then the Committee may as it deems appropriate determine whether:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted and, if so, the manner in which such adjustment shall be made. Any adjustment under this Rule 10 shall be made in a way that a Participant will not receive a benefit that a holder of Shares does not receive.

**10.2** Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or upon the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the Singapore Exchange during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.

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**10.3** Notwithstanding the provisions of Rule 10.1, any adjustment (except in relation to a bonus issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

**10.4** Upon any adjustment required to be made pursuant to this Rule 10, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award. Any adjustment shall take effect upon such written notification being given.

#### **11. ADMINISTRATION OF THE PLAN**

**11.1** The Plan shall be administered by the Committee in its sole and absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards to be granted to him or held by him.

**11.2** The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its sole and absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.

**11.3** Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Committee any liability whatsoever in connection with:

- (a) the lapsing of any Awards or any exercise of the Clawback Right pursuant to any provision of the Plan;
- (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or
- (c) any decision or determination of the Committee made pursuant to any provision of the Plan.

**11.4** Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including, for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

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**12. NOTICES AND COMMUNICATIONS**

- 12.1** Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other address (including an electronic mail address) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 12.2** Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number provided by the Participant to the Company.
- 12.3** Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 12.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.
- 12.4** Without prejudice to Rules 12.1 and 12.2, a grant and/or acceptance and/or exercise of an Award and/or any document or correspondence in relation thereto (individually and collectively, "**Communication**") may be communicated electronically through the use of a Security Device, or through an electronic page, site, or environment designated by the Company which is accessible only through the use of the Security Device, and such Communication shall thereby be deemed to have been sent by the designated holder of such Security Device.
- 12.5** The Company may accept and act upon any Communication issued and/or transmitted through the use of a Security Device pursuant to Rule 12.4 (whether or not authorised by the Participant) as his authentic and duly authorised Communication and the Company shall be under no obligation to investigate the authenticity or authority of person effecting the Communication or to verify the accuracy and completeness of the Communication and the Company may treat the Communication as valid and binding on the Participant, notwithstanding any error, fraud, forgery, lack of clarity or misunderstanding in the terms of such Communication.
- 12.6** All Communications issued and/or transmitted through the use of a Security Device pursuant to Rule 12.4 (whether or not authorised by the Participant) are irrevocable and binding on the Participant upon transmission to the Company, and the Company shall be entitled to effect, perform or process such Communications without the Participant's further consent and without any further reference or notice to him.
- 12.7** It shall be the Participant's sole responsibility to ensure that all information contained in a Communication is complete, accurate, current, true and correct.
- 12.8** The Participant shall ensure (and shall take all necessary precautions to ensure) that:
- (a) he complies with the Company's procedural and/or operational guidelines relating to Security Devices;
  - (b) all Security Devices of the Participant are kept completely confidential and secure; and
  - (c) there is no unauthorised use or abuse of the Participant's Security Devices.

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**12.9** The Participant shall notify and/or contact the Company immediately (the "**Security Notification**") if he becomes aware, has reason to believe, or suspects that any Security Device has become compromised, including but not limited to where:

- (a) the security or integrity of any Security Device may have been compromised;
- (b) such Security Device has become known or been revealed to any other person;
- (c) there has been unauthorised use of the Security Device; and/or
- (d) such Security Device is lost, damaged, defective or stolen,

(individually and collectively referred to hereinafter as the "**Compromised Security Device**"),

and the Participant shall immediately cease to use such Compromised Security Device until further notice from the Company. The Participant shall be bound by all Communications and transactions resulting from any Communications made which are referable to any Compromised Security Device until such time as the Company has received the Security Notification from the Participant.

**12.10** The Company's records of the Communications, and its record of any transactions maintained by any relevant person authorised by the Company relating to or connected with the Plan, whether stored in electronic or printed form, shall be binding and conclusive on the Participant and shall be conclusive evidence of such Communications and/or transactions. All such records shall be admissible in evidence and the Participant shall not challenge or dispute the admissibility, reliability, accuracy or the authenticity of the contents of such records merely on the basis that such records were incorporated and/or set out in electronic form or were produced by or are the output of a computer system, and the Participant waives any of his rights (if any) to so object.

**12.11** Without prejudice to Rules 12.1 and 12.2, any provision in these Rules requiring a Communication to be signed by a Participant may be satisfied in the case of an electronic communication, by the execution of any on-line act, procedure or routine designated by the Company to signify the Participant's intention to be bound by such electronic communication.

**13. MODIFICATIONS TO THE PLAN**

**13.1** Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:

- (a) no modification or alteration shall adversely affect the rights attached to:
  - (i) in the case of a Performance-related Award, any such Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who have been granted Performance-related Awards and who, if their Awards were Released to them upon the Performance Condition(s) for such Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all such outstanding Awards upon the Performance Condition(s) for all such outstanding Awards being satisfied in full; and



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- (ii) in the case of an Award other than a Performance-related Award, any such Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who have been granted Awards other than Performance-related Awards and who, if their Awards were Released to them on the applicable Vesting Dates relating to their Awards, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all such outstanding Awards upon the expiry of all the Vesting Periods (if any) applicable to all such outstanding Awards;
- (b) the definitions of "Associated Company", "Associated Company Employee", "Associated Company Executive Director", "Group Employee", "Group Executive Director", "Non-Executive Director", "Participant", "Performance Period" and "Vesting Period" and the provisions of Rules 4, 5, 6, 7, 8, 9, 10, 11, 12 and this Rule 13 shall not be altered to the advantage of Participants except with the prior approval of the Company's shareholders in general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the Singapore Exchange, and such other regulatory authorities as may be necessary.

For the purpose of Rule 13.1(a), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 13.1 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award.

- 13.2** Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the Singapore Exchange) amend or alter the Plan in any way to the extent necessary to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Companies Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the Singapore Exchange).
- 13.3** Written notice of any modification or alteration made in accordance with this Rule 13 shall be given to all Participants.

**14. TERMS OF EMPLOYMENT UNAFFECTED**

The terms of employment of a Participant (being a Group Employee or an Associated Company Employee, as the case may be) shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

**15. DURATION OF THE PLAN**

- 15.1** The Plan shall continue to be in force at the discretion of the Committee for the maximum period commencing on the Adoption Date and ending on 8 October 2030, which coincides with the expiry date of the Nanofilm ESOS 2020, provided always that the Plan may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

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**APPENDIX**  
**RULES OF THE NANOFILM RESTRICTED SHARE PLAN**

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**15.2** The Plan may be terminated at any time by the Committee or, at the discretion of the Committee, by ordinary resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.

**15.3** The expiry or termination of the Plan shall not affect Awards which have been granted, whether such Awards have been Released (whether fully or partially) or not.

**16. TAXES**

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

**17. COSTS AND EXPENSES OF THE PLAN**

**17.1** Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a CDP Depository Agent.

**17.2** Save for the taxes referred to in Rule 16 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award shall be borne by the Company.

**18. DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained, the Committee, the Company and the Company's Directors and employees shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of New Shares on the Singapore Exchange in accordance with Rule 7.5.2.

**19. DISCLOSURES IN ANNUAL REPORTS**

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation:

- (a) the names of the members of the Committee administering the Plan;
- (b) in respect of the following Participants of the Plan:
  - (i) Directors; and

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**APPENDIX**  
**RULES OF THE NANOFILM RESTRICTED SHARE PLAN**

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- (ii) Participants (other than those in Rule 19(b)(i) above) who have received Shares pursuant to the Release of Awards granted under the Plan which, in aggregate, represent five (5) per cent. or more of the total number of Shares available under the Plan,

the following information:

- (1) the name of the Participant;
- (2) the following particulars relating to the Release of Awards under the Plan:
  - (aa) the number of New Shares issued to such Participant during the financial year under review; and
  - (bb) the number of existing Shares transferred to such Participant during the financial year under review;
- (c) in relation to the Plan, the following particulars:
  - (i) the aggregate number of Shares comprised in Awards granted under the Plan since the commencement of the Plan to the end of the financial year under review;
  - (ii) the aggregate number of Shares comprised in Awards which have been Released under the Plan during the financial year under review and in respect thereof, the proportion of:
    - (A) New Shares issued; and
    - (B) existing Shares transferred and, where existing Shares were purchased for transfer, the range of prices at which such Shares have been purchased,upon the Release of the Awards granted under the Plan; and
  - (iii) the aggregate number of Shares comprised in Awards granted under the Plan which have not been Released, as at the end of the financial year under review.

## **20. COLLECTION, USE AND DISCLOSURE OF PERSONAL DATA**

For the purposes of implementing and administering the Plan, and in order to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines, the Company may collect, use and disclose the personal data of Participants, as contained in each Award Letter and/or any other notice or communication given or received pursuant to the Plan, and/or which is otherwise collected from the Participants (or their authorised representatives). By participating in the Plan, each Participant consents to the collection, use and disclosure of his personal data for all such purposes, including the disclosure to, and use by, the Group, Associated Companies, and/or third parties (whether within or outside Singapore) for any such purpose as well as the collection, use and further disclosure by any such person for any such purpose. Each Participant also warrants that where he discloses the personal data of third parties to the Company in connection with the Plan, he has obtained the prior consent of such

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**APPENDIX**  
**RULES OF THE NANOFILM RESTRICTED SHARE PLAN**

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third parties for the Company to collect, use and disclose their personal data for the abovementioned purposes in accordance with any applicable laws, regulations and/or guidelines, and agrees that he will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses or damages as a result of the Participant's breach of warranty.

**21. DISPUTES**

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

**22. GOVERNING LAW**

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

**23. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, CHAPTER 53B**

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by virtue of the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED

(Company Registration Number: 199902564C)

(Incorporated in the Republic of Singapore)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting ("**EGM**") of the shareholders ("**Shareholders**") of Nanofilm Technologies International Limited ("**Company**") will be convened and held by way of electronic means on **Friday, 29 October 2021 at 2.00 p.m. (Singapore time)** for the purposes of considering and, if thought fit, passing (with or without modifications) the following resolution:

*Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meaning as used in the circular dated 14 October 2021 issued by the Company ("**Circular**").*

### ORDINARY RESOLUTION – THE PROPOSED ADOPTION OF THE NANOFILM RESTRICTED SHARE PLAN

#### THAT:

- (1) a new restricted share plan to be known as the "Nanofilm Restricted Share Plan" ("**Nanofilm Restricted Share Plan**"), the details of and rules of which are set out in the Circular and under which awards ("**Awards**") of fully paid-up Shares, their equivalent cash value or combinations thereof will be granted, free of payment, to eligible participants under the Nanofilm Restricted Share Plan, details of which are set out in the Circular, be and is hereby approved;
- (2) the Directors of the Company be and are hereby authorised to:
  - (a) establish and administer the Nanofilm Restricted Share Plan;
  - (b) modify and/or alter the Nanofilm Restricted Share Plan at any time and from time to time, provided that such modification and/or alteration is effected in accordance with the provisions of the Nanofilm Restricted Share Plan, and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Nanofilm Restricted Share Plan; and
  - (c) offer and grant Awards in accordance with the provisions of the Nanofilm Restricted Share Plan and to allot and issue from time to time such number of fully-paid New Shares and/or transfer such number of existing Shares held in treasury, free of charge, as may be required to be delivered from time to time pursuant to the vesting of Awards under the Nanofilm Restricted Share Plan, provided that the total number of Shares which may be delivered pursuant to Awards granted under the Nanofilm Restricted Share Plan, when added to: (i) the total number of New Shares allotted and issued and/or to be allotted and issued, issued Shares (including treasury shares) delivered and/or to be delivered, and Shares Released and/or to be Released in the form of cash in lieu of Shares, pursuant to all Awards granted under the Nanofilm Restricted Share Plan; (ii) the total number of new Shares allotted and issued and/or to be allotted and issued, and issued Shares (including treasury shares) delivered and/or to be delivered, pursuant to options already granted under the Nanofilm ESOS 2020; and (iii) the total number of Shares subject to any other share option or share schemes adopted by the Company after the listing on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), shall not exceed 5% of the total number of issued shares (excluding Shares held by the Company as treasury shares and

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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subsidiary holdings (as defined in the Listing Manual of the SGX-ST) from time to time;  
and

- (3) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents and approving any amendments, alterations or modifications to any documents as may be required) as they may consider expedient or necessary to give effect to this Ordinary Resolution as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group.

By Order of the Board

Josephine Toh  
Company Secretary

Singapore  
14 October 2021

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### **PARTICIPATION IN THE EXTRAORDINARY GENERAL MEETING ("EGM") VIA "LIVE" WEBCAST OR "LIVE" AUDIO FEED**

As part of the Company's efforts to minimise the risk of community spread of COVID-19, the EGM will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, Shareholders will NOT be able to attend the EGM in person. Printed copies of all documents relating to the business of EGM, including this Notice of EGM and Proxy Form, will not be sent to Shareholders of the Company. Instead, this Notice of EGM and Proxy Form will be published on the SGXNET and the Company's website at <http://www.ntinanoofilm.com/investors/annual-reports-and-general-meetings>.

#### **Pre-registration**

1. The proceedings of the EGM will be broadcasted "live" through an audio-and-video webcast and an audio-only feed. Members and investors holding shares in the Company through the Central Provident Fund ("CPF") or Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors") who wish to follow the proceedings through a "live" webcast via their mobile phones, tablets or computers or listen to the proceedings through a "live" audio feed via telephone must pre-register at <https://smartagm.sg/NANOFILM2021EGM> no later than 2.00 p.m. on 26 October 2021 ("**Registration Cut-Off Time**"). Following verification, an email confirmation containing instructions on how to access the "live" webcast and audio feed of the proceedings of the EGM will be sent to authenticated members and CPF/SRS investors by 12.00 p.m. on 28 October 2021. Members and CPF/SRS investors who do not receive any email by 12.00 p.m. on 28 October 2021, but have registered by the Registration Cut-Off Time, should contact the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., for assistance at +65 6536 5355 or email at [SRS.TeamE@boardroomlimited.com](mailto:SRS.TeamE@boardroomlimited.com). Members and CPF/SRS investors must not forward the abovementioned information to any other persons who are not Shareholders and who are not eligible to attend the EGM. This is to avoid any potential technical disruptions to the "live" webcast or the "live" audio feed due to overloading.

Investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) ("**Investors**") (other than CPF/SRS investors) will not be able to pre-register at <https://smartagm.sg/NANOFILM2021EGM> for the "live" broadcast of the EGM. An Investor (other than CPF/SRS investors) who wishes to participate in the "live" broadcast of the EGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., via email to [SRS.TeamE@boardroomlimited.com](mailto:SRS.TeamE@boardroomlimited.com) no later than 2.00 p.m. on 26 October 2021.

#### **Submission of Proxy Forms to Vote**

2. **Due to the current COVID-19 situation and related safe distancing measures in Singapore, a member will not be able to attend the EGM in person. A member will also not be able to vote online on the resolution to be tabled for approval at the EGM. A member (whether individual or corporate) must appoint the Chairman of the EGM ("Chairman") as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. The Chairman, as proxy, need not be a member of the Company.** The instrument for the appointment of proxy ("**proxy form**") may be accessed at the Company's website at <http://www.ntinanoofilm.com/investors/annual-reports-and-general-meetings> or the SGXNET. Where a member (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of the resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.
3. The proxy form is not valid for use by Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. A CPF/SRS investor who wishes to vote by appointing the Chairman as proxy should approach his/her CPF Agent Bank or SRS Operator at least 7 working days before the date of the EGM (i.e., by 2.00 p.m. on 20 October 2021) to submit his/her voting instructions. This is so as to allow sufficient time for the respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman to vote on their behalf by 2.00 p.m. on 26 October 2021.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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4. **The duly executed proxy form must be submitted to the Company in the following manner:**
- (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
  - (b) if submitted electronically, be submitted via email to SRS.TeamE@boardroomlimited.com,

in either case, by 2.00 p.m. on 26 October 2021 (being 72 hours before the time fixed for the EGM).

A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**In view of the current COVID-19 situation and the related safe distancing measures in Singapore which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**

5. In the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any proxy form lodged if such members are not shown to have Shares entered against their names in the Depository Register (as defined in Part IIIA of the Securities and Futures Act, Chapter 289 of Singapore), as at 72 hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.

### Submission of Questions

6. Members and Investors will not be able to ask questions "live" during the broadcast of the EGM. All members and Investors may submit questions relating to the business of the EGM no later than 2.00 p.m. on 26 October 2021:
- (a) via the pre-registration website at <https://smartagm.sg/NANOFILM2021EGM>;
  - (b) by email to SRS.TeamE@boardroomlimited.com; or
  - (c) by post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

**In view of the current COVID-19 situation and the related safe distancing measures in Singapore which may make it difficult to submit questions by post, members and Investors are strongly encouraged to submit their questions via the pre-registration website or by email.** The Company will address substantial and relevant questions received from Shareholders, in advance of (through the publication of the Company's response on the SGXNET and the Company's website) or during the EGM.

The Company will, within one (1) month after the date of the EGM, publish the minutes of the EGM on SGXNet and the Company's website, and the minutes will include the responses to the questions referred to above.

7. All documents (including the Circular, proxy form and this Notice of EGM) or information relating to the business of the EGM have been, or will be, published on SGXNET and/or the Company's website at <http://www.nti-nanofilm.com/investors/annual-reports-and-general-meetings>. **Printed copies of the documents will not be despatched to members.** Members and CPF/SRS investors are advised to check SGXNET and/or the Company's website regularly for updates.

### PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing the Chairman of the EGM as a proxy to vote at the EGM and/or any adjournment thereof, or (b) completing the pre-registration in accordance with this Notice, or (c) submitting any question prior to the EGM in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the EGM as a proxy for the EGM (including any adjournment thereof);



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (ii) the processing of the pre-registration for the purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to the live webcast or live audio feed of the EGM proceedings and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members received before the EGM and if necessary, following up with the relevant members in relation to such questions;
- (iv) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof); and
- (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

**PROXY FORM**



**NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED**  
 (Company Registration Number 199902564C)  
 (Incorporated in Singapore on 13 May 1999)

**PROXY FORM  
 EXTRAORDINARY GENERAL MEETING**

**IMPORTANT:**

**Note:** This Proxy Form may be accessed via the Company's website at <http://www.nti-nanofilm.com/investors/annual-reports-and-general-meetings> and also on the website of the SGX-ST at <https://www.sgx.com/securities/company-announcements>.

1. A member will not be able to attend the Meeting in person. If a shareholder wishes to exercise his/her/its voting rights at the Meeting, he/she/it must appoint the Chairman of the Meeting as proxy as his/her/its behalf to attend, speak and vote on his/her/its behalf at the Meeting.
2. A relevant intermediary must appoint the Chairman of the Meeting to attend, speak and vote at the Meeting (please see note 3 for the definition of "relevant intermediary").
3. For CPF/SRS investors who have used their CPF monies to buy the Company's shares, this Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment of the Chairman of the Meeting as proxy.

**Personal Data Privacy**  
 By submitting an instrument appointing the Chairman of the Meeting as Proxy, the Member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 14 October 2021.

\*I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/Co Reg No.)  
 of \_\_\_\_\_ (Address)

being a member/members of **NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED** (the "Company"), hereby appoint **Chairman of the Meeting** as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Extraordinary General Meeting of the Company ("**Meeting**" or "**EGM**") to be held by electronic means on **Friday, 29 October 2021 at 2.00 p.m. (Singapore time)** and at any adjournment thereof.

\*I/We direct \*my/our proxy to vote for, against or abstain from voting on the Resolution proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the appointment of the Chairman of the Meeting as \*my/our proxy will be treated as invalid.

**Voting will be conducted by poll. If you wish to exercise all your votes "For", "Against" or "Abstain", please tick (✓) within the relevant box provided. Alternatively, please indicate the number of votes as appropriate. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

No.	Ordinary Resolution relating to:	No. of Votes For	No. of Votes Against	No. of Votes Abstain
1.	The Proposed Adoption of the Nanofilm Restricted Share Plan			

*\*Delete where inapplicable*

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Total number of shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
 Signature(s) of Member(s)/Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

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## PROXY FORM

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NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED  
Proxy Form – Extraordinary General Meeting

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### Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Future Act, Chapter 289), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in both Depository Register and Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member will not be able to attend the Meeting in person and must appoint the Chairman of the Meeting to attend, speak and vote on his/her/its behalf at the Meeting. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. A member who is a relevant intermediary entitled to vote at the Meeting must appoint the Chairman of the Meeting to attend, speak and vote at the Meeting instead of the member.  
*“Relevant intermediary” means:*
  - (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the Meeting as Proxy (“**Proxy Form**”) must be deposited at the Company’s Share Registrar’s Office at Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 or email to SRS.TeamE@boardroomlimited.com not less than 72 hours before the time appointed for the Meeting. **In view of the current COVID-19 situation and the related safe distancing measures in Singapore, shareholders are strongly encouraged to submit completed proxy forms electronically via email.**
6. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the Proxy Form.

### General:

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.