Jiangsu Lopal Tech. Group Co., Ltd.

Terms of Reference for the Remuneration and Evaluation Committee of the Board of Directors

Jiangsu Lopal Tech. Group Co., Ltd.
(Revised in July 2025)

JIANGSU LOPAL TECH. GROUP CO., LTD.

TERMS OF REFERENCE FOR THE REMUNERATION AND EVALUATION COMMITTEE OF THE BOARD OF DIRECTORS

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to further establish a sound evaluation and remuneration management system for directors (excluding independent non-executive directors, and this applies to the below section) and senior management of Jiangsu Lopal Tech. Group Co., Ltd. (the "Company") and improve the corporate governance structure, the Company has hereby established the remuneration and evaluation committee (the "Committee") of the board of directors (the "Board") and formulated these Terms of Reference in accordance with the relevant provisions of the Company Law of the People's Republic of China (the "Company Law"), the Code of Corporate Governance for Listed Companies, the Guidelines No. 1 of the Shanghai Stock Exchange for the Self-regulation of Listed Companies — Standard Operation, the Measures for the Administration of Independent Directors of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), the Articles of Association of Jiangsu Lopal Tech. Group Co., Ltd. (the "Articles of Association") and the Rules of Procedure for the Board of Directors.

Article 2 The Committee is a specialized working body under the Board. Its main responsibilities are to formulate the standards for assessment of directors and senior management and conduct the assessment, formulate and review the policies for and proposals on the remuneration of directors and senior management, and to make recommendations to the Board on related matters. The Committee shall be accountable to the Board.

Article 3 For the purpose of these Terms of Reference, the directors shall refer to the directors who receive remuneration from the Company. The senior management shall refer to the general manager, the deputy general manager(s), the chief financial officer and the secretary to the Board appointed by the Board. Other personnel shall refer to the general managers of business divisions, the heads of branches, and the heads of the Company's overseas agencies.

CHAPTER 2 COMPOSITION

Article 4 The Committee shall comprise three directors, of which independent non-executive directors shall account for the majority of the members therein, and shall serve as the convener.

Article 5 The members of the Committee shall be nominated by more than one-third of all directors, and shall be elected with the approval of more than one-half of the Board by voting.

Article 6 The Committee shall have one chairperson, who shall be an independent director (i.e. independent non-executive director) and be responsible for presiding over the work of the Committee. The chairperson shall be elected by a majority of the members of the Committee.

Article 7 The term of office of the Committee shall be the same as that of the Board. A member may be re-elected upon the expiration of his/her term of office. If any member ceases to be a director of the Company during his/her term of office, he/she shall be automatically disqualified as a member of the Committee, and the vacancy shall be filled up by the Board in accordance with the relevant requirements of the relevant laws, regulations, normative documents, the Articles of Association, these Terms of Reference and the securities regulatory rules of the place where the shares of the Company are listed.

Article 8 The Committee shall establish a working group, which is specifically responsible for providing information on the Company's operations and relevant information on the personnel to be appraised, preparing for the meetings of the Committee and implementing the relevant resolutions of the Committee. The human resources management department shall be responsible for the specific works. The secretary to the Board shall be responsible for the specific coordination between the Remuneration and Evaluation Committee and the Board.

CHAPTER 3 DUTIES AND AUTHORITIES

Article 9 The Committee is responsible for formulating the evaluation standards for directors and senior management and conducting the evaluation, formulating and reviewing remuneration determination mechanisms, decision-making processes, payment and clawback arrangements and other remuneration policies and plans of directors and senior management. The duties and authorities of the Committee shall also include such powers as set out in the relevant code provisions of the Corporate Governance Code (the "CG Code") as contained in Appendix C1 to the Hong Kong Listing Rules (as amended from time to time).

Article 10 The Committee is authorized by the Board to obtain any independent professional advice, at the Company's expense, from any person if it considers necessary to perform its duties.

Article 11 The Committee shall be provided with sufficient resources to discharge its duties.

Article 12 The Committee shall consult the chairperson of the Board and/or the general manager of the Company about its proposals relating to the remuneration of other executive directors.

Article 13 The primary duties and authorities of the Committee shall include such duties and functions as set out in the relevant code provisions of the CG Code. Without prejudice to the foregoing, the Committee shall:

(I) make recommendations to the Board on the policy and structure for the remuneration of all directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy based on the major scope, duties and responsibilities, importance of managerial positions of directors and senior management as well as the remuneration level of the relevant positions of other related enterprises;

(II) formulate job responsibilities and remuneration plans or schemes for senior management, mainly including but not limited to performance evaluation standards, procedures and major evaluation systems, major schemes and systems for rewards and punishments, etc.;

(III) formulate performance appraisal system and performance appraisal indicators for senior management, conduct annual performance appraisals and make recommendations;

(IV) review and approve the remuneration proposals of the management in accordance with the corporate policies and objectives established by the Board, and formulate the remuneration system and remuneration standards for directors and senior management, among which it is recommended that a significant proportion of executive directors' remuneration shall be linked to corporate and individual performance, and approve the service contracts of directors;

(V) make recommendations to the Board regarding the remuneration of non-executive directors;

(VI) either:

(i) determine, with delegated responsibility granted by the Board, the remuneration packages of individual executive director and senior management; or

(ii) make recommendations to the Board on the remuneration packages of individual executive director and senior management. Where the Board resolves to approve any remuneration or compensation arrangements with which the Remuneration Committee disagrees, the Board shall disclose the reasons for its approval of such resolution in the next Corporate Governance Report.

This shall include share options, awards, benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

(VII) consider salaries paid by comparable companies, time commitment and responsibility and employment conditions elsewhere within the Company group;

(VIII) review and approve the compensation required to be paid to executive directors and senior management for their loss or termination of offices, and make recommendations to the Board, in order to ensure that the compensation is consistent with the terms of contracts; if inconsistent, the compensation must be fair and reasonable and not excessive;

(IX) review and approve the compensation arrangements for the dismissal or removal of directors as a result of their misconduct, and make recommendations to the Board, in order to ensure that the compensation is consistent with the terms of contracts; if inconsistent, the compensation must be reasonable and appropriate;

(X) ensure that no director or any other associate (as defined under the Hong Kong Listing Rules) is involved in his/her performance appraisal and remuneration decision-making process, except for his/her self-assessment of performance;

(XI) seek advice from the chairperson of the Board and/or the general manager regarding the remuneration proposals of other executive directors;

(XII) make recommendations on the formulation or modification of the share incentive scheme, employee share ownership plan, as well as the fulfillment of the conditions for the grant of entitlement to incentive participants and the exercise of such entitlement;

(XIII) put forward suggestions for directors and senior management to arrange for share ownership plan in proposed spin-off subsidiaries;

(XIV) other matters authorized by the laws, administrative regulations, the requirements of the China Securities Regulatory Commission, relevant regulatory rules of the place where the shares of the Company are listed, the Articles of Association and the Board; and

(XV) review and/or approve the matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules.

The Board shall record and disclose in its resolutions the opinion of the Nomination Committee and the specific reasons for not adopting or fully adopting the recommendations of the Committee.

Article 14 The Committee shall not formulate remuneration plans or schemes that are detrimental to the interests of shareholders.

Article 15 The remuneration plan for the directors of the Company proposed by the Committee shall be submitted to the Board for approval, and submitted to the general meeting for deliberation and approval before implementation. The remuneration distribution plan for the senior management members of the Company shall be submitted to the Board for approval before implementation.

Article 16 The members of the Committee shall check once a year whether the decision-making procedures for the remuneration of the directors and senior management members conform to the provisions, whether the basis for determining the remuneration is reasonable, whether it damages the interests of the Company and all shareholders, and whether the disclosure on the remuneration of the directors and senior management members in the annual report is consistent with the actual situation, and issue an inspection report and submit it to the Board. If any problems are found during the inspection, a timely report shall be made to the stock exchange where the Company's shares are listed.

CHAPTER 4 DECISION-MAKING PROCEDURES

Article 17 The working group under the Committee shall be responsible for the preliminary preparations for decision-making of the Committee, and providing relevant information of the Company:

(I) information on the Company's fulfillment of its main financial indicators and business objectives;

(II) information on the main duties and division of work of the Company's senior management;

(III) information on fulfillment of targets involved in the work performance evaluation system of the directors and senior management;

(IV) information on the business performance of business innovation and profit-making ability of the directors and senior management;

(V) the basis of measurement and calculation in relation to formulating the Company's remuneration distribution plan and method of distribution with reference to the performance results of the Company.

Article 18 The procedures for evaluating the directors and senior management adopted by the Committee are as follows:

(I) the directors and senior management of the Company shall report their work and self-assessments to the Committee;

(II) the Committee shall carry out performance assessments of the directors and senior management according to the performance assessment standards and procedures;

(III) a proposal on the amount of remuneration and method of reward for the directors and senior management based on the results of work performance assessments and remuneration distribution policy shall be, after a voting in its favor, reported to the Board.

CHAPTER 5 RULES OF PROCEDURE

Article 19 The Committee shall meet at least once a year. Additional meetings may be held as and when required. A meeting of the Committee may be proposed to convene by any of its members or the secretary to the Board. Unless otherwise agreed by all the members of the Committee, the notice of each meeting stating the time, date and place of the meeting shall be given to each member of the Committee and any other person invited to attend the meeting at least three days prior to the date of the meeting. The meeting shall be presided over by the chairperson of the Committee. If the chairperson is unable to attend, he/she may appoint another member to preside over the meeting. Meetings of the Committee shall be convened on site in principle. Under the premise of ensuring that all participating members can communicate fully and express their opinions, meetings may be conducted via video, telephone, or other means in accordance with the procedures if necessary.

Article 20 Agenda and any supporting documents and papers shall be circulated in full to each member of the Committee and any other person invited to attend the meeting at least three days prior to the date of the meeting (or such other period as the members may agree).

Article 21 Independent directors shall attend the meeting of the Committee in person, and if they are unable to attend the meeting in person for any reason, they shall review the materials of the meeting in advance, form a clear opinion and entrust other independent directors in writing to attend the meeting on their behalf. When independent directors notice significant matters of the Company within the scope of the duties of the Committee in the course of performing their duties, they may timely submit them to the Committee for discussion and consideration in accordance with the procedures.

Article 22 More than half of the members are required to form the quorum of a meeting of the Committee; each member shall be entitled to one vote; resolutions of a meeting must be adopted by the affirmative votes of more than half of the members.

Article 23 Resolutions at the meetings of the Committee shall be passed by a show of hands or by poll. Under the premise of ensuring that all participating members are able to fully communicate and express their opinions, meetings may be conducted and voted by video, telephone or other means in accordance with the procedures when necessary.

Where necessary, the Committee may invite the directors and senior management of the Company to attend the meetings.

Article 24 Where necessary, the Committee may appoint intermediary agencies to provide professional advice for its decision-making and the expenses incurred shall be borne by the Company.

Article 25 When a proposal concerning a member of the Committee is discussed at the meeting of the Committee, that member shall recuse himself/herself.

Article 26 The convening procedures and voting methods, as well as the remuneration policies and distribution plans adopted at the meetings of the Committee shall comply with the relevant laws, regulations, the Hong Kong Listing Rules, the Articles of Association and these Terms of Reference.

Article 27 The Committee shall keep minutes of its meetings. The opinions of the members attending the meetings shall be set out in the minutes, and the members attending the meetings shall sign on and confirm the meeting minutes. The minutes and information of the meetings shall be kept by the secretary to the Board as the Company's files for a period of no less than 10 years. Draft and final versions of minutes of the Committee meetings shall be sent to all Committee members for their comment and records, respectively, within a reasonable time after the meeting.

Article 28 The secretary to the Board shall ensure full minutes with sufficient details to be made in books to be provided for the purpose of the proceedings of all meetings of the Committee and of the attendances thereat and of all business transacted, resolutions passed and orders made at such meetings. Minutes of meetings of the Committee shall record details of the matters considered and decisions reached, including any concerns raised or dissenting views expressed by directors. Such minutes of meetings of the Committee shall be kept by the secretary to the Board, and shall be open for inspection at any reasonable time on reasonable notice by any director of the Company.

Article 29 The resolution adopted at the meeting of the Committee and the voting results thereof shall be submitted to the Board in writing.

Article 30 Members of the Committee attending the meeting, and those attending as observers shall be obliged to keep confidential any of the matters discussed at the meeting, and shall not disclose relevant information without authorization.

CHAPTER 6 CORPORATE GOVERNANCE REPORT

Article 31 The work of the Committee during each financial year shall be summarized in the corporate governance report which constitutes part of the annual report.

Article 32 The Company shall disclose the remuneration policy, details of any remuneration payable to members of senior management by band and other remuneration related matters in its annual reports, as well as details of any remuneration payable to members of senior management, on an individual and named basis, in its annual reports.

CHAPTER 7 ANNUAL GENERAL MEETING

Article 33 The chairperson of the Committee or in his/her absence, another member of the Committee or failing this, his/her duly appointed delegate, shall attend the annual general meeting and be prepared to answer questions at such meeting on the Committee's work and its responsibilities.

CHAPTER 8 SUPPLEMENTARY PROVISIONS

Article 34 Unless otherwise expressly specified in relevant national laws, administrative regulations and relevant regulatory rules of the places where the Company's shares are listed, the "independent non-executive director(s)" referred to herein shall have the same meaning as that of "independent director(s).

Article 35 Any matters not covered herein shall be dealt with in accordance with the relevant provisions of relevant national laws, regulations and normative documents, the listing rules of the place where the shares of the Company are listed and the Articles of Association. In the event of any inconsistency between these Terms of Reference and (i) the national laws, regulations and normative documents, (ii) the listing rules of the place where the shares of the Company are listed or (iii) the Articles of Association as promulgated from time to time, such matters shall be resolved in accordance with the provisions of relevant national laws, regulations and normative documents, the listing rules of the place where the shares of the Company are listed and the Articles of Association.

Article 36 The Committee shall make available these Terms of Reference, explaining its role and the authority delegated to it by the Board, on the website of The Stock Exchange of Hong Kong Limited and the Company's website.

Article 37 These Terms of Reference shall be construed by the Board.

Article 38 Upon consideration and approval by the Board, these Terms of Reference shall come into force and the same shall apply to any amendments hereto. Upon the effectiveness of these Terms of Reference, the original Terms of Reference for the Remuneration and Evaluation Committee of the Board of Directors of the Company shall be invalidated automatically.