Hainan Drinda New Energy Technology Co., Ltd.
Terms of Reference of the Remuneration and Appraisal Committee of the Board of Directors

Chapter 1 General Provisions

Article 1 In order to establish and further improve the remuneration and appraisal management system of Hainan Drinda New Energy Technology Co., Ltd. (the "Company"), and enhance its corporate governance structure, the Company has established a remuneration and appraisal Committee (the "Remuneration and Appraisal Committee") of the board of directors (the "Board") and formulated the Terms of Reference of the Remuneration and Appraisal Committee of the Board of Hainan Drinda New Energy Technology Co., Ltd. (the "Terms of Reference) in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Measures on the Administration of Independent Directors of Listed Companies, the Securities Law of the People's Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), Appendix 14 to the Listing Rules (the "Corporate Governance Code"), the relevant regulatory rules of the securities regulatory authorities and stock exchanges in the places where the Company's shares are listed and other relevant laws and regulations, as well as the Articles of Association of Hainan Drinda New Energy Technology Co., Ltd. (the "Articles of Association").

Article 2 The Remuneration and Appraisal Committee is a dedicated working body under the Board, which is primarily responsible for formulating the appraisal standards and conducting appraisal for the directors and senior management of the Company, as well as responsible for setting up and reviewing the remuneration policy and plans for the same, and shall be responsible to the Board.

Article 3 The directors mentioned in the Terms of Reference refer to all directors elected at the shareholders' meeting, including independent non-executive directors. Senior management (the "seniors") shall mean the general manager, deputy general managers, Board secretary, chief financial officer appointed by the Board, as well as other senior management as stipulated in the laws and regulations, relevant regulatory rules of the securities regulatory authorities and stock exchanges in the places where the Company's shares are listed, as well as the Articles of Association.

Chapter 2 Composition

Article 4 The Remuneration and Appraisal Committee shall consist of three or more directors, the total number of members of the Remuneration and Appraisal Committee shall be an odd number, with a majority of whom shall be independent non-executive directors, and shall be convened by an independent non-executive director.

Article 5 The members of the Remuneration and Appraisal Committee shall be nominated by the chairperson of the Board and the nomination committee of the Board, and shall be elected by the Board with the approval of more than half of all directors. After the proposal for electing members of the Remuneration and Appraisal Committee has been approved, new members of the Remuneration and Appraisal Committee shall take office immediately after the conclusion of the meeting of the Board.

Article 6 The Remuneration and Appraisal Committee shall have one convener/committee chairperson, who shall be an independent non-executive director and appointed by the Board, and preside over the work of the Remuneration and Appraisal Committee. In the event that the chairperson of the Remuneration and Appraisal Committee is unable to or does not perform his/her duties, an independent non-executive director jointly recommended by more than half of the members shall perform his/her duties on his/her behalf.

Article 7 The term of office of the members of the Remuneration and Appraisal Committee shall be consistent with that of the members of the Board. Each member shall be eligible for re-election upon the expiry of his/her term of office. During his/her term of office, if any member ceases to be a director of the Company, or any member with the capacity of an independent non-executive director ceases to have the independence as stated in the Company Law, the Articles of Association and the Listing Rules, his/her membership in the Remuneration and Appraisal Committee shall lapse automatically. A member of the Remuneration and Appraisal Committee may submit his/her resignation report in writing to the Board prior to the expiry of his/her term of office to resign from his/her position in the Remuneration and Appraisal Committee. The resignation report shall contain such reasons for resignation and matters which require the attention of the Board of the Company as necessary. Upon the loss of qualification or permission to resign, the position(s) vacated by such member(s) shall be filled by the Board according to applicable laws, regulations, normative documents, and the provisions of Articles 4 to 6 above. The term of office for the member filling the vacancy shall expire upon the expiration of his/her term of office as a director or an independent non-executive director.

Chapter 3 Duties and Authorities

Article 8 The Remuneration and Appraisal Committee of the Board is responsible for formulating the assessment standards for and conducting assessment of directors and senior management, formulating and reviewing the remuneration policies and schemes of directors and senior management, and making recommendations to the Board on the following matters:

(I) to formulate remuneration policy, make recommendations to the Board and oversee the implementation in respect of the overall remuneration policy and structure of the directors, senior management of the Company (including but not limited to the performance appraisal criteria, procedures and key appraisal system, and major incentive and penalty schemes and systems, etc.) and set up formal and transparent procedures, based on the major scope, responsibility and importance of the respective positions of the directors, senior management and the remuneration of the same position paid by other comparable companies, and supervise the implementation of the schemes;

(II) to review and approve the management's remuneration proposals with reference to the Board's corporate policies and objectives;

(III) to examine the performance of duties by the directors and senior management of the Company, conduct annual performance appraisals of them, and formulate annual incentives schemes which shall be submitted to the Board for approval and implementation;

(IV) to supervise the implementation of the Company's remuneration policies;

(V) to make recommendations to the Board on the determination of the remuneration packages of individual executive directors, senior management, including benefits in kind, pension rights and compensation amounts (including compensation payable for loss or termination of office or appointment), and to make recommendations to the Board on the remuneration of non-executive directors;

(VI) to formulate or change equity incentive plans, employee stock ownership plans, and conditions for incentive participants to be granted with and exercise interests;

(VII) the directors and senior management shall arrange shareholding plans in the subsidiaries to which the Company intends to spin-off;

(VIII) to consult the chairperson of the Board and/or the general manager in respect of the remuneration proposed for other executive directors. The Remuneration and Appraisal Committee shall seek independent professional opinions if necessary;

(IX) to review and approve the compensation payable to executive directors, senior management for any loss or termination of office or appointment, so as to ensure that such compensation is consistent with the contractual terms and is otherwise fair, reasonable and not excessive;

(X) to review and approve compensation arrangements relating to the dismissal or removal of directors for misconduct, so as to ensure that such arrangements are consistent with the contractual terms or are otherwise reasonable and appropriate;

(XI) to ensure that any director or any of his/her associate (as defined in the Listing Rules) does not participate in the determination of his/her own remuneration; and in relation to a non-executive director who is also a member of the Remuneration and Appraisal Committee, his/her remuneration shall be determined by other members of the Remuneration and Appraisal Committee;

(XII) to review the service contracts of directors;

(XIII) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules;

(XIV) to consider the remuneration paid by comparable companies, time commitment and duties and the employment conditions of other positions in the Group;

(XV) other matters authorized by the Board;

(XVI) other matters as prescribed in the laws, administrative regulations, the Listing Rules, the relevant regulatory rules of the securities regulatory authorities and stock exchanges in the places where the shares of the Company are listed, and the Articles of Association.

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

The Remuneration and Appraisal Committee shall disclose the 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 website of the Company.

The Remuneration and Appraisal Committee shall perform the main duties under Article 8 of the Terms of Reference based on the information provided by the human resources and administrative department of the Company.

The chairperson of the Remuneration and Appraisal Committee or (if the chairperson is absent) another member of the Remuneration and Appraisal Committee (who must be an independent non-executive director) shall attend the annual shareholders' meeting of the Company and respond to shareholders' questions on the activities and responsibilities of the Remuneration and Appraisal Committee.

Article 9 The remuneration plans or schemes proposed by the Remuneration and Appraisal Committee shall not prejudice the interests of the shareholders. The Board shall have the right to reject any remuneration plans or schemes that prejudice the interests of the shareholders.

Article 10 The remuneration plans and schemes for the directors of the Company proposed by the Remuneration and Appraisal Committee shall be approved by the Board and submitted to a shareholders' meeting for consideration and approval before implementation. The remuneration schemes for the seniors of the Company shall be reported to the Board for approval.

According to the Listing Rules, the above service contracts of directors which are subject to shareholders' approval include:

(I) service contracts with a term of over three years; or

(II) contracts which may not be terminated by the Company unless at least one year's notice is given, or compensation or other amounts equivalent to at least one year's emoluments are paid.

The Remuneration and Appraisal Committee shall make comments on the above service contracts of directors which are subject to the shareholders' approval, notify shareholders on whether relevant contract terms are fair and reasonable, whether relevant contracts are in the interests of the Company and its shareholders as a whole, and shall put forward opinions on how shareholders (other than those shareholders who are directors and have a material interest in such service contracts, as well as associates thereof) should vote.

Article 11 Duties of the convener/Committee chairperson shall include the following:

(I) to convene and preside over the meetings of the Committee;

(II) to urge and check the Committee's work;

(III) to sign relevant documents of the Committee;

(IV) to report the Committee's work to the Board;

(V) other duties as stipulated or conferred by the laws, administrative regulations, the Listing Rules, relevant regulatory rules of the securities regulatory authorities and stock exchanges in the places where the Company's shares are listed, the Rules of Procedure and the Board.

Article 12 Rights and obligations of the members of the Committee are:

(I) to attend meetings of the Committee as scheduled, express opinions on matters for discussion at the meetings, and exercise voting rights;

(II) to suggest topics for discussion at the meetings of the Committee;

(III) to attend or sit-in the relevant meetings of the Company as audience and conduct investigation and research and obtain the required relevant information, such as reports, documents and materials, for the purpose of performing duties;

(IV) to fully understand the duties and responsibilities of the Committee and his/her own duties as a member of the Committee, familiarize with the operation and management conditions, business activities and development status of the Company relating to his/her duties, ensure his/her capabilities in performing their duties;

(V) to provide full assurance for the working time and efforts required to perform their duties and responsibilities;

(VI) to perform other duties and responsibilities as required or conferred by the laws, administrative regulations, the Listing Rules, rules of the securities regulatory authority and stock exchanges in the places where the shares of the Company are listed, the Rules of Procedure and the Board.

Chapter 4 Rules of Procedure

Article 13 Meetings of the Remuneration and Appraisal Committee shall be convened at least once annually. Interim meetings of the Remuneration and Appraisal Committee may be convened by the chairperson of the Remuneration and Appraisal Committee as he/she deems it necessary, upon the proposal of at least half of the members of the Committee or recommendation of the chairperson of the Board.

Article 14 The Remuneration and Appraisal Committee shall hold meetings on an irregular basis as proposed by the convener/the chairperson of the Remuneration and Appraisal Committee. The notice of meeting and materials for meeting shall be delivered to all members three days before the convening of the meeting. If all members unanimously agree, the requirement for advanced notice may be waived. The meeting shall be presided over by the convener/the chairperson of the Remuneration and Appraisal Committee. If the convener/the chairperson of the Remuneration and Appraisal Committee fails to attend the meeting, he/she may appoint an independent non-executive director to preside over the meeting.

Article 15 The quorum for meetings of the Remuneration and Appraisal Committee shall be at least two thirds of the total members of the Committee, one of whom shall be an independent non-executive director. Members who cannot attend a meeting may authorize, in writing, other members to attend and vote on his/her behalf. The power of attorney, containing the name of the proxy, the matters delegated, the scope of authorization and the validity period of such authorization, and signed or stamped by the appointer, shall be submitted to the chairperson of the meeting no later than the time when voting takes place. If a member fails to attend the meetings of the Remuneration and Appraisal Committee in person or by proxy, he/she shall be deemed as having abstained from voting at such meetings.

The resolutions made at the meetings shall be approved by a majority of all members; the voting at the meetings of the Remuneration and Appraisal Committee shall be by a show of hands or by poll, and may be conducted by means of communications if necessary. Each member shall have one vote; where the respective votes for and against a resolution are equal in number, the chairperson of the Remuneration and Appraisal Committee shall be entitled to have a casting vote.

Article 16 The meetings of the Remuneration and Appraisal Committee may be convened by way of on-site meetings, teleconferences, video conferences, circulation of documents, facsimile, email and other appropriate means.

Article 17 The Remuneration and Appraisal Committee may invite the directors, seniors and external advisors of the Company to attend meetings of the Remuneration and Appraisal Committee when necessary. Persons attending the meetings may explain or illustrate the matters discussed at the meetings, but non-members of the Remuneration and Appraisal Committee shall have no voting rights.

Article 18 The Remuneration and Appraisal Committee may, if necessary, engage intermediary institutions to provide professional advice on its decisions. The reasonable expenses shall be borne by the Company.

Article 19 A member of the Remuneration and Appraisal Committee shall avoid attending meetings of the Remuneration and Appraisal Committee for which he/she is the subject matter of the resolution.

Article 20 The convening procedures, voting method and approved remuneration policies and allocation proposals of the meetings of the Remuneration and Appraisal Committee shall comply with the applicable laws and regulations, relevant regulatory rules of the securities regulatory authorities and stock exchanges in the places where the Company's shares are listed, the Articles of Association, as well as the Terms of Reference.

Article 21 The Remuneration and Appraisal Committee shall maintain the minutes of meetings. All members attending the meetings shall sign on the minutes of meetings, which shall be kept by the Board secretary.

Article 22 The resolutions passed by, and the voting results of, the Remuneration and Appraisal Committee shall be submitted in writing to the Board of the Company for approval.

Article 23 Members attending a meeting and persons sitting in on a meeting shall keep all matters discussed at the meeting confidential, and shall not disclose any relevant information without authorization, save as is otherwise stipulated under relevant laws, regulations and/or regulatory bodies.

Chapter 5 Supplementary Provisions

Article 24 The Terms of Reference shall be interpreted by the Board.

Article 25 The Terms of Reference shall become effective and be implemented upon consideration and approval by the Board. The Company's original Terms of Reference of the Remuneration and Appraisal Committee of the Board shall be automatically invalidated since the implementation date of the Terms of Reference.

Article 26 Any matters not covered by the Terms of Reference or in any event that the Terms of Reference contravene relevant laws and regulations, the Listing Rules, the relevant regulatory rules of the securities regulatory authorities and stock exchanges in the places where the Company's shares are listed, as well as the Articles of Association, the latter shall prevail. In case of any inconsistency between the Terms of Reference and any future laws, regulations, the Listing Rules, relevant regulatory rules of the securities regulatory authorities and stock exchanges in the places where the Company's shares are listed, or the Articles of Association, the latter shall prevail.

Hainan Drinda New Energy Technology Co., Ltd.
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