FIRST TRACTOR COMPANY LIMITED
WORKING RULES FOR
THE REMUNERATION COMMITTEE OF
THE BOARD OF DIRECTORS

September 2025

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to establish and improve the performance assessment and evaluation system for directors and senior management of First Tractor Company Limited (the "Company"), and to formulate a scientific and effective remuneration management system, the Board of Directors hereby establishes the Remuneration Committee. These Working Rules are formulated in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Shanghai Stock Exchange Listing Rules, the Administrative Measures for Independent Directors of Listed Companies, the Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 - Standardised Operation, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Hong Kong Listing Rules"), the Articles of Association of First Tractor Company Limited (the "Articles of Association"), the Administrative Measures for Term-based and Contractual Management of Management Team Members of First Tractor Company Limited (Trial Implementation), and other relevant provisions.

Article 2 The Remuneration Committee is a specialised working body under the Board of Directors, primarily responsible for formulating assessment criteria for directors and senior management and conducting assessments, formulating and reviewing remuneration policies and schemes for directors and senior management, and making recommendations to the Board of Directors on relevant matters.

Article 3 For the purposes of these Working Rules, directors refers to directors who receive remuneration from the Company; senior management refers to the general manager, deputy general managers, chief financial officer, company secretary and other senior management personnel appointed by the Board of Directors and recognised by the Board of Directors.

CHAPTER 2 COMPOSITION

Article 4 The Remuneration Committee shall comprise three or more directors, of whom independent non-executive directors shall constitute more than half of the members. Committee members shall be nominated by the Chairman, half of the independent non-executive directors, or more than one-third of all directors, and appointed by the Board of Directors.

Article 5 The Remuneration Committee shall have a chairman, who shall be an independent non-executive director.

Article 6 The term of office of the Remuneration Committee shall be consistent with the term of office of directors. Committee members may be re-elected and re-appointed upon expiry of their terms of office. During such period, if any director ceases to serve as a director of the Company, such person shall automatically lose qualification as a committee member, and the Board of Directors shall determine new candidates in accordance with Articles 4 and 5 of these Working Rules.

Article 7 The chairman of the Remuneration Committee shall be responsible for convening and presiding over meetings of the Remuneration Committee. When the chairman of the Remuneration Committee is unable or fails to perform his duties, he may designate another committee member (who must be an independent non-executive director) to act on his behalf. When the chairman of the Remuneration Committee neither performs his duties nor designates another committee member to act on his behalf, any committee member may report the relevant circumstances to the Board of Directors, and the Board of Directors shall designate a committee member (who must be an independent non-executive director) to perform the duties of the chairman of the Remuneration Committee.

Article 8 Where the resignation of an independent director would result in the proportion of independent directors on the Remuneration Committee not complying with these Working Rules or the Articles of Association, the independent director who intends to resign shall continue to perform his duties until the date when a new independent director is appointed. The Company shall complete the by-election within sixty days from the date when the independent director submits his resignation.

CHAPTER 3 TERMS OF REFERENCE

Article 9 The principal duties and powers of the Remuneration Committee include but are not limited to:

(1) Making recommendations to the Board of Directors on the overall remuneration policy and structure of directors and senior management and establishing formal and transparent procedures for developing remuneration policies;

(2) Making recommendations to the Board of Directors on the formulation or variation of equity incentive plans and employee shareholding plans, and on matters relating to the granting of interests to incentive recipients and the fulfilment of conditions for the exercise of interests and reviewing and/or approving matters relating to share schemes as set out in Chapter 17 of the Hong Kong Listing Rules;

(3) Making recommendations to the Board of Directors on arrangements for directors and senior management to participate in shareholding plans in subsidiaries proposed to be spun off;

(4) Reviewing and approving management's remuneration recommendations and the annual and term operating performance assessment content and indicators for the general manager, deputy general managers and chief financial officer in response to the corporate policies and objectives set by the Board of Directors;

(5) With the authority delegated by the Board of Directors, determining the remuneration packages of individual executive directors and senior management; or making recommendations to the Board of Directors on the remuneration packages of individual executive directors and senior management. This shall include non-monetary benefits, pension rights and compensation amounts (including compensation for loss or termination of office or appointment);

(6) Making recommendations to the Board of Directors on the remuneration of non-executive directors;

(7) Considering the remuneration paid by comparable companies, the time commitment and responsibilities required, and the employment conditions for other positions within the Company's group;

(8) Reviewing and approving compensation payable to executive directors and senior management for their loss or termination of office or appointment, to ensure that such compensation is consistent with contractual terms; where it is not consistent with contractual terms, the compensation shall be fair and reasonable and not excessive;

(9) Reviewing and approving compensation arrangements involved in the dismissal or removal of relevant directors for misconduct, to ensure that such arrangements are consistent with contractual terms; where they are not consistent with contractual terms, the relevant compensation shall be reasonable and appropriate;

(10) Being responsible for supervising the implementation of the Company's remuneration system to ensure that no director or any of his associates may participate in determining his own remuneration;

(11) Reviewing and approving the annual and term operating performance assessment results of the Company's general manager, deputy general managers and chief financial officer;

(12) Consulting the Chairman and/or general manager on remuneration recommendations for other executive directors. Where necessary, the Remuneration Committee may seek independent professional advice;

(13) Other matters stipulated in these Working Rules and authorised by the Board of Directors.

Article 10 The Remuneration Committee is accountable to the Board of Directors, and the exercise of its powers must comply with the relevant provisions of the Company Law, the Articles of Association and these Working Rules, and must not prejudice the legitimate rights and interests of the Company and shareholders.

Article 11 The remuneration plan for the Company's directors proposed by the Remuneration Committee must be reported to the Board of Directors for approval and then submitted to the shareholders' meeting for consideration and approval before implementation.

Article 12 When the Remuneration Committee performs its duties, relevant departments of the Company shall provide cooperation.

CHAPTER 4 WORKING PROCEDURES

Article 13 The Board Office shall, together with the Human Resources Department and other departments, provide the following written materials to the Remuneration Committee for its decision-making:

(1) Providing the Company's major financial indicators and the fulfillment of operating objectives;

(2) The scope of work and main responsibilities of the Company's senior management, as well as the annual and term operating performance assessment content and indicators for the general manager, deputy general managers and chief financial officer;

(3) Providing the fulfillment of indicators involved in the position performance evaluation system for directors and senior management and the annual and term operating performance of the general manager, deputy general managers and chief financial officer;

(4) Providing the business innovation capabilities, profit-making capabilities and operating performance of directors and senior management;

(5) Providing relevant calculation basis for the Company's remuneration distribution planning and distribution methods formulated based on the Company's performance.

Article 14 Procedures for the assessment of directors and senior management:

(1) The Company's directors and senior management shall report to the Remuneration Committee and conduct self-evaluation;

(2) Convening a Remuneration Committee meeting to conduct performance evaluation of directors and senior management according to performance evaluation standards and procedures;

(3) Based on the results of position performance evaluation and remuneration distribution policies, proposing the remuneration amounts and reward methods for directors and senior management, which shall be reported to the Company's Board of Directors after being approved by vote.

CHAPTER 5 RULES OF PROCEDURE

Article 15 When the Remuneration Committee convenes a meeting, in principle, all committee members shall be notified three days before the meeting is held and relevant materials and information shall be provided. In urgent circumstances, temporary meetings may be convened after confirming that the notice has served on all committee members, without being subject to the aforementioned meeting notice time limit.

Article 16 Meetings of the Remuneration Committee may only be held with the attendance of not less than two-thirds of the committee members. Meetings shall be presided over by the chairman of the committee. If the chairman of the committee cannot attend, he may authorise another committee member (who must be an independent non-executive director) to act on his behalf.

Article 17 Meetings of the Board Remuneration Committee shall in principle be held by means of on-site meeting. Where necessary, and provided that all participating committee members can fully communicate and express their opinions, meetings may be held by video, telephone or other means in accordance with procedures.

Voting at Remuneration Committee meetings shall be conducted by show of hands or written ballot; each committee member shall have one vote; resolutions made at meetings must be approved by more than half of the committee members present at the meeting.

Article 18 The Remuneration Committee may, where necessary, invite other directors, management and other relevant personnel of the Company to attend meetings as observers.

Article 19 Where necessary, the Remuneration Committee may engage intermediary institutions to provide professional opinions for its decision-making. The relevant fees shall be paid by the Company.

Article 20 When the Remuneration Committee discusses matters relating to committee members, the relevant persons shall abstain.

Article 21 The convening procedures, voting methods and resolutions passed at Remuneration Committee meetings must comply with the provisions of relevant laws, regulations, rules, normative documents, the Articles of Association and these Working Rules.

Article 22 Where the Board of Directors does not adopt or does not fully adopt the recommendations of the Remuneration Committee, the opinions of the Remuneration Committee and the specific reasons for non-adoption shall be recorded in the Board resolution and disclosed.

Article 23 Remuneration Committee meetings shall be recorded, and meeting records shall be true, accurate and complete, fully reflecting the opinions raised by attendees on the matters under consideration. Committee members attending the meeting shall sign the meeting records. Meeting records shall be kept by the Company Secretary of the Company, with a retention period of not less than ten years.

Article 24 Resolutions and voting results passed at Remuneration Committee meetings shall be reported to the Company's Board of Directors in writing.

Article 25 Remuneration Committee members shall have a duty of confidentiality regarding Company matters that came to their knowledge through their term of office through their position, and shall not disclose relevant information without authorisation, otherwise they shall bear corresponding legal liability.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 26 For matters not covered in these Working Rules, the provisions of relevant Chinese laws, regulations, rules, normative documents and the Articles of Association shall apply. In case of conflict between these Working Rules and the Articles of Association, the provisions of the Articles of Association shall prevail.

Article 27 In these Working Rules, "above" and "below" include the stated number; "exceeding" and "less than" do not include the stated number.

Article 28 These Working Rules shall take effect from the date of approval by the Board of Directors. The same shall apply to amendments.

Article 29 These Working Rules shall be interpreted by the Board of Directors of the Company.