NINGBO JOYSON ELECTRONIC CORP.
TERMS OF REFERENCE FOR THE NOMINATION, REMUNERATION AND APPRAISAL COMMITTEE OF THE BOARD OF DIRECTORS

CHAPTER I GENERAL PROVISIONS

Article 1 In order to further establish and improve the performance evaluation and remuneration management system of the Company's directors (non-independent non-executive directors) and senior management, improve the corporate governance structure, ensure the Company's normal operations and healthy development, and in light of industry trends and the current talent market status, the Company has established the Nomination, Remuneration and Appraisal Committee of the board of directors with these terms of reference in compliance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Code of Governance for Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), Appendix C1 to the Hong Kong Listing Rules (hereinafter referred to as the "Corporate Governance Code"), the Articles of Association of Ningbo Joyson Electronic Corp. (hereinafter referred to as the "Articles of Association") and other relevant provisions.

Article 2 The Nomination, Remuneration and Appraisal Committee of the board of directors is a specialized working body established by the board of directors. It is primarily responsible for formulating appraisal standards for directors and senior management of the Company and conducting evaluation, formulating and reviewing remuneration policies and plans for directors and senior management, and is accountable to the board of directors.

Article 3 In these terms of reference, the directors shall refer to the chairman of the board of directors and directors who receive remuneration from the Company, excluding independent non-executive directors; and the senior management shall refer to the president, vice president, secretary to the board of directors, chief financial officer appointed by the board of directors, and other senior management proposed by president to the board of directors for approval.

CHAPTER II COMPOSITION

Article 4 The Nomination, Remuneration and Appraisal Committee shall consist of at least three directors, with a majority being independent non-executive directors.

Article 5 Members of the Nomination, Remuneration and Appraisal Committee shall be nominated by the chairman, more than half of the independent non-executive directors or one-third of all directors, and elected by the board of directors. The election of members shall be approved by a majority vote of all directors.

Article 6 The Nomination, Remuneration and Appraisal Committee shall have one chairman, who shall be an independent non-executive director member and be responsible for presiding over the Committee's work. The convener shall be elected from among the members and reported to the board of directors for approval.

Article 7 Members of the Nomination, Remuneration and Appraisal Committee must meet the following conditions:

(I) not subject to any prohibitive circumstances under the Company Law, the Articles of Association or securities regulatory rules of the place where the Company's shares are listed that would disqualify them from serving as directors, supervisors or senior management of the Company;

(II) have not been publicly reprimanded by the Shanghai Stock Exchange or declared an unsuitable candidate within the past three years;

(III) have not been subject to administrative penalties by the China Securities Regulatory Commission for major violations of laws or regulations within the past three years;

(IV) possess good moral character, and have relevant professional knowledge or work experience in human resources, corporate management, finance, law, etc.;

(V) meet other conditions stipulated by relevant laws, regulations, the Articles of Association and securities regulatory rules of the place where the Company's shares are listed.

Article 8 Persons who do not meet the eligibility requirements specified in Article 7 shall not be elected as members of the Nomination, Remuneration and Appraisal Committee. Should a member of the Nomination, Remuneration and Appraisal Committee become ineligible during their term due to circumstances specified in Article 7, such member shall voluntarily resign or be replaced by the board of directors.

Article 9 The term of office for the Nomination, Remuneration and Appraisal Committee shall be three years, commencing from the date of election by the board of directors and ending upon the expiration of the term of the current session of the board of directors. Unless circumstances arise that disqualify a member from holding office as stipulated in the Company Law, the Articles of Association, the Hong Kong Listing Rules or these terms of reference, a member shall not be removed from office without cause prior to the expiration of their term. Should any member cease to serve as a director of the Company or become ineligible for membership (e.g., a member required to hold the status of an independent non-executive director no longer meets the independence requirements under the Hong Kong Listing Rules), such member shall automatically cease to hold office, and the Committee shall then fill the vacancy in accordance with Articles 4 to 6 above.

After the change of session of the board of directors, directors who are re-elected may continue to serve as members of the Nomination, Remuneration and Appraisal Committee.

Article 10 The Nomination, Remuneration and Appraisal Committee shall establish a working group specifically responsible for providing the Company with operational information and relevant data on personnel subject to evaluation, preparing for meetings of the Nomination, Remuneration and Appraisal Committee, and implementing relevant resolutions of the Nomination, Remuneration and Appraisal Committee.

Article 11 Should the Nomination Committee fail to meet the number of members requirements stipulated in the Hong Kong Listing Rules due to their resignation, removal or other reasons, the board of directors shall immediately issue an announcement detailing the circumstances and reasons for non-compliance in accordance with the Hong Kong Listing Rules, and shall then fill the vacancy within three months from the date of non-compliance above in accordance with the Hong Kong Listing Rules and Articles 4 to 8 of these terms of reference. The term of office of a supplementary member shall expire at the end of his/her term of office as a director.

CHAPTER III DUTIES AND AUTHORITIES

Article 12 The main duties and authorities of the Nomination, Remuneration and Appraisal Committee:

(I) studying the selection criteria and procedures for directors and managers and making recommendations;

(II) conducting extensive searches for qualified candidates for directors and managers, establishing the plan for reserve of the directors and senior management and supplementing or updating such plan from time to time; identifying individuals with suitable qualifications to serve as directors, and selecting and nominating such individuals for appointment as directors or making recommendations to the board of directors in this regard;

(III) reviewing candidates for directors and managers and making recommendations;

(IV) studying the assessment standards of directors and managers, and conducting the assessment and putting forward suggestions;

(V) studying and examining the remuneration policy and plans for the directors and senior management;

(VI) reviewing the independence of independent non-executive directors;

(VII) reviewing the structure, size and composition (including the skills, knowledge and experience) of the board of directors at least once a year; making recommendations on any proposed changes to the board of directors to complement the Company's corporate strategy; evaluating the structure of various committees under the board of directors; and recommending directors to serve as members of the relevant committees, which shall be subject to the approval of the board of directors;

(VIII) appointment or dismissal of senior management; and reviewing and making recommendations on the candidates for senior management of the Company;

(IX) assessing the working status of directors, and providing opinions and recommendations regarding any changes, re-appointment and succession of directors based on the result of the assessment;

(X) making recommendations to the board of directors on the appointment or re-appointment of directors and succession planning for directors;

(XI) formulating and, where appropriate, reviewing and implementing the board diversity policy adopted by the board of directors from time to time, considering the progress of the goal to be achieved and disclosing relevant policies or summaries in the Company's annual report;

(XII) the responsibilities and terms of reference of the Nomination Committee as set out in the relevant code provisions of the Corporate Governance Code (as amended from time to time) in the Hong Kong Listing Rules;

(XIII) other matters required by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed (including but not limited to the Hong Kong Listing Rules and other provisions of the securities regulatory authority in Hong Kong) and the Articles of Association;

(XIV) formulating the remuneration policy and make recommendations to the board of directors, and supervising the implementation of such plans, in respect of the overall remuneration policy and structure for the directors and senior management of the Company (including but not limited to the performance evaluation criteria, procedures and key evaluation systems, and major incentive and penalty plans and systems, etc.), and in respect of the establishment of formal and transparent procedures, based on the main scope, responsibilities and importance of the management positions of the directors (including non-independent non-executive directors) and senior management, as well as the remuneration levels of comparable positions in other similar enterprises;

(XV) reviewing and approving the remuneration proposals of the management in accordance with the corporate policy and objectives set by the board of directors;

(XVI) examining the performance of duties of the directors and senior management of the Company and appraising their annual performance, and formulating annual bonus plans to be submitted to the board of directors for decision and implementation;

(XVII) supervising the implementation of the remuneration system of the Company;

(XVIII) making recommendations to the board of directors on the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment and making recommendations to the board of directors on the remuneration of the non-executive directors;

(XIX) formulating or amending equity incentive plans, employee stock ownership plans, and the granting of rights to incentive recipients and the achievement of conditions for the exercise of such rights by incentive recipients;

(XX) arranging stock ownership plans for directors and senior management in the event of a proposed spin-off of a subsidiary;

(XXI) consulting the chairman of the board of directors in respect of the remuneration proposed for other executive directors, and seeking independent professional advice if necessary;

(XXII) reviewing and approving the 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 the contractual terms; if not, the compensation shall be fair and reasonable, and not excessive;

(XXIII) reviewing and approving compensation arrangements relating to the dismissal or removal of directors for misconduct to ensure that such arrangements are consistent with the contractual terms; if not, the relevant compensation shall be reasonable and appropriate;

(XXIV) ensuring that any director or any of his/her associates (as defined in the Hong Kong Listing Rules) does not participate in the determination of his/her own remuneration; and in relation to a non-executive director who concurrently serves as a member of the Nomination, Remuneration and Appraisal Committee, his/her remuneration shall be determined by other members of the Remuneration and Appraisal Committee;

(XXV) reviewing the directors' service contracts;

(XXVI) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules;

(XXVII) considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

(XXVIII) other matters as authorized by the board of directors;

(XXIX) other matters prescribed by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 13 The board of directors has the right to veto remuneration plans or proposals that are detrimental to the interests of shareholders.

Article 14 The remuneration plan for directors of the Company proposed by the Nomination, Remuneration and Appraisal Committee shall be reported to the board of directors for consent and then submitted to the shareholders' meeting for approval before implementation. The remuneration distribution plan for managers of the Company shall be submitted to the board of directors for approval.

Article 15 The Nomination, Remuneration and Appraisal Committee shall be accountable to the board of directors, and shall submit its proposals to the board of directors for consideration and decision.

CHAPTER IV DECISION-MAKING PROCEDURE

Article 16 The working group under the Nomination, Remuneration and Appraisal Committee shall be responsible for the preliminary preparations for the decision-making of the Nomination, Remuneration and Appraisal Committee, and providing materials on the relevant aspects of the Company:

(I) providing information on the Company's major financial indicators and the achievement of business objectives;

(II) the scope of work and main responsibilities of the senior management of the Company;

(III) providing information on the completion of relevant indicators in the performance appraisal system for director and senior management positions;

(IV) providing operational performance indicators of the directors and senior management, such as business innovation and profitability of operation;

(V) providing the relevant calculation basis for formulating the Company's remuneration distribution plan and distribution method based on the Company's performance.

Article 17 The evaluation procedures for directors and senior management by the Nomination, Remuneration and Appraisal Committee:

(I) the directors and senior management of the Company shall report on the performance of their duties and conduct self-evaluation to the Nomination, Remuneration and Appraisal Committee of the board of directors;

(II) the Nomination, Remuneration and Appraisal Committee shall carry out performance appraisals of the directors and senior management according to the performance appraisal standards and procedures;

(III) a proposal on the amount of remuneration and method of reward for the directors and senior management shall be made based on the results of work performance appraisals and according to the remuneration distribution policies and, after being approved by voting, shall be submitted to the board of directors of the Company.

Article 18 The procedures for the selection and appointment of directors and senior management:

(I) the Nomination, Remuneration and Appraisal Committee shall actively communicate with the relevant divisions of the Company to research on the demand of the Company for directors and senior management, and make recommendations;

(II) seeking the nominees' opinions to accept the nomination, otherwise he or she shall not be put on the list of candidates for directors and senior management;

(III) convening meetings of the Nomination, Remuneration and Appraisal Committee to check the qualification of initially proposed candidates according to the job requirements of directors and senior management;

(IV) putting forward recommendations about the candidates for directors and senior management and submitting relevant materials to the board of directors prior to the election of new directors and the appointment of new senior management;

(V) conducting other follow-up work according to the decision and feedback of the board of directors.

CHAPTER V RULES OF PROCEDURE AND VOTING PROCEDURES

Article 19 Meetings of the Nomination, Remuneration and Appraisal Committee shall be convened by the convener, who shall notify all members 7 days before the date of convening the meeting. When more than half of the members propose, a Committee meeting must be convened. If the convener is unable to attend the meeting, he/she may appoint another member to preside over the meeting.

Article 20 The notice of the meeting shall at least include the following:

(I) the time and venue of the meeting;

(II) the duration of the meeting;

(III) agenda items to be discussed at the meeting;

(IV) contact person of the meeting and their contact information;

(V) date of notice of the meeting.

Article 21 Voting at a meeting of the Nomination, Remuneration and Appraisal Committee shall be conducted by a show of hands or by poll. If the meeting is held by means of communication, voting shall be conducted by way of written consent.

Article 22 The meetings of the Nomination, Remuneration and Appraisal Committee shall be held only in the presence of more than two-thirds of the members. Each member shall have one vote. Resolutions proposed at the meetings must be approved by more than half of all members.

Article 23 Members of the Nomination, Remuneration and Appraisal Committee may attend meetings in person or authorize another member to attend and exercise their voting rights on their behalf.

If a member delegates another member to attend the meeting and exercise voting rights on his/her behalf, he/she shall submit a power of attorney to the meeting moderator. The power of attorney shall be submitted to the meeting moderator no later than the voting takes place.

Article 24 A power of attorney shall be signed by both the principal and the proxy and shall include at least the following contents:

(I) name of the principal;

(II) name of the proxy;

(III) matters authorized by the delegation;

(IV) instructions for exercising voting rights on the meeting agenda (for, against or abstain) and clarification on whether the proxy may vote according to his/her own judgment when no specific instructions are given;

(V) duration of the power of attorney;

(VI) date of signing the power of attorney.

Article 25 If a member of the Nomination, Remuneration and Appraisal Committee neither attends the meeting in person nor delegates another member to attend on their behalf, it is deemed as not attending the relevant meeting. If such members fail to attend meetings for two consecutive times, it is deemed that they are unable to properly perform their duties, and the board of directors of the Company may dismiss their relevant positions.

Article 26 The Nomination, Remuneration and Appraisal Committee may require heads of relevant departments of the Company to attend its meetings. When necessary, it may invite directors, supervisors, senior management, professional consultants and legal advisor of the Company to attend the meetings.

Article 27 The Nomination, Remuneration and Appraisal Committee may engage an intermediary agency to provide professional advice on its decisions at the expense of the Company when necessary.

Article 28 The procedures for convening meetings, voting and adopting of remuneration policy and distribution plan at the Nomination, Remuneration and Appraisal Committee meeting shall comply with the relevant laws, regulations, the Hong Kong Listing Rules, other provisions of the securities regulatory authority in Hong Kong, the Articles of Association, and these terms of reference, unless such reporting is in conflict with the general responsibilities of the Committee or cannot be made according to laws, regulations or regulatory requirements (e.g. disclosure is restricted due to regulatory requirements).

Article 29 The Nomination, Remuneration and Appraisal Committee shall keep the minutes of the meetings, and deliver the draft and final versions of the minutes to all members within a reasonable time after conclusion of such meetings with the draft version to be used for the expression of opinions by the members and the final version to be used as a record. The minutes of the meetings shall be signed by the members present at the meetings. The secretary of the board of directors of the Company shall act as the secretary of the Nomination Committee. In the absence of the secretary of the board of directors of the Company, his/her delegate(s) or any person elected by the members present at the Nomination Committee meeting shall attend the Nomination, Remuneration and Appraisal Committee meeting and take minutes. The minutes of the meetings should be kept by the secretary of the board of directors of the Company. Upon receipt of a reasonable notice sent by any director, the Company shall provide such director with the minutes of meetings for review during reasonable hours.

Article 30 Resolutions in writing signed by all members of the Nomination, Remuneration and Appraisal Committee will be treated as valid as if they had been passed in a meeting duly convened and held by the Nomination, Remuneration and Appraisal Committee. The resolutions approved and the voting results reached at the meetings of the Nomination, Remuneration and Appraisal Committee shall be reported in written form to the board of directors of the Company, unless such reporting is in conflict with the general responsibilities of the Nomination Committee or cannot be made according to laws, regulations or regulatory requirements (e.g. disclosure is restricted due to regulatory requirements).

Article 31 All members attending the meetings are obliged to keep confidential the matters discussed at the meeting and shall not disclose relevant information without authorization.

Article 32 Where the Nomination, Remuneration and Appraisal Committee has any interest in the matters to be deliberated by the Nomination Committee, such member shall abstain from voting on the matters.

CHAPTER VI RULES OF ABSTENTION

Article 33 Where a member of the Nomination, Remuneration and Appraisal Committee or his/her close relatives or other entity controlled by the member of the Nomination, Remuneration and Appraisal Committee and his/her close relatives has direct or indirect interest in the agenda discussed at the meeting, such member shall disclose the nature and extent of such interest to the Committee as soon as possible.

The term "close relatives" as referred to in the previous clause shall include spouse, parents, spouse's parents, brothers and sisters and their spouses, children aged no less than 18 and their spouses, spouse's brothers and sisters and children's spouses' parents.

Article 34 Upon the occurrence of the above situation, the interested member shall provide a detailed explanation of the situation at the meeting of the Nomination, Remuneration and Appraisal Committee and shall specify that he/she will abstain from voting. However, if the other members unanimously agree that such interest will not have a material impact on the matters to be voted on, the interested member may vote.

In the event that the interested member has voted and the board of directors of the Company considers it inappropriate, the board of directors may revoke the voting results, and require the other members to vote again on the relevant proposals.

Article 35 The Nomination, Remuneration and Appraisal Committee shall review the proposals and come to a resolution without counting the interested member in the quorum. In the event that there is no quorum after not including the interested member in the quorum, all members (including the interested member) shall resolve on procedural issues to have the proposals determined by the board of directors of the Company and the proposals will then be submitted to the board of directors of the Company for consideration.

Article 36 The minutes and resolutions of the Nomination, Remuneration and Appraisal Committee meeting shall specify the abstention of the interested member.

CHAPTER VII SUPPLEMENTARY PROVISIONS

Article 37 These terms of reference, after being approved by resolution of the board of directors, shall take effect from the date on which H shares issued by the Company are listed on The Stock Exchange of Hong Kong Limited.

Article 38 Matters not covered by these terms of reference shall be implemented in accordance with the provisions of the relevant laws, regulations of the State, the securities regulatory rules of the place where the Company's shares are listed (including but not limited to the Hong Kong Listing Rules and other provisions of the securities regulatory authority in Hong Kong) and the Articles of Association. In the event of any conflict arising between these terms of reference and the future laws, regulations promulgated by the State, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association as amended after due process, the relevant laws, regulations of the State, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association shall prevail, and these terms of reference shall be amended immediately and reported to the board of directors for consideration and approval.

Article 39 The rights to interpret these terms of reference shall be vested in the board of directors of the Company.