Suzhou Novosense Microelectronics Co., Ltd.

Terms of Reference of the Remuneration and Appraisal Committee under the Board of Directors

Chapter 1 General Provisions

Article 1 To establish and improve a modern corporate governance system and standardize company operations, these Regulations are formulated in accordance with the relevant provisions of the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》),the Code of Corporate Governance of Listed Companies (《上市公司治理準則》), Guidance No. 1 of Self-regulatory Rules for Companies Listed on the STAR Market of the Shanghai Stock Exchange – Standardized Operations (《上海證券交易所科創板上市公司自律監管指引第1號 – 規範運作》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (《香港聯合交易所有限公司證券上市規則》), and other relevant laws, regulations, normative documents, and the Articles of Association of Suzhou Novosense Microelectronics Co., Ltd. (hereinafter referred to as the "**Articles of Association**"), and in light of the Company's actual circumstances, the Company hereby establishes the Remuneration and Appraisal Committee of the Board of Directors (hereinafter referred to as the "**Committee**") and formulates these Terms of Reference.

Article 2 The Committee is a specialized working body under the Board of Directors and is principally responsible for setting appraisal standards for and conducting appraisal of directors and senior management, formulating and reviewing remuneration policies and programs of directors and senior management.

Chapter 2 Composition of the Committee

Article 3 The Committee shall comprise three directors, including two independent non-executive directors.

Article 4 The members of the Committee shall be elected by the Board of Directors.

Article 5 The Committee shall have one Chairperson (convener) who shall be an independent non-executive director and be responsible for presiding over the Committee's work. The Chairperson shall be appointed by the Board of Directors.

Article 6 The terms of the members are the same as those of the Board of Directors. Upon expiry of their term, members may be re-elected. If any member ceases to be a director, he/she shall automatically lose the qualification of the Committee member, and the Committee shall make up the number of members according to the Articles 3 to 5 above.

Article 7 The Board Office of the Company shall provide comprehensive services to the Committee, including coordinating daily communications and organizing meetings. The human resources department of the Company shall provide professional support to the Committee, including providing relevant operational data of the Company and relevant information concerning personnel who will be subject to assessment, as well as reporting on the implementation of the appraisal system to the Committee.

Chapter 3 Duties and Authorities

Article 8 The Committee is principally responsible for setting appraisal standards for and conducting appraisal of directors and senior management, formulating and reviewing remuneration policies and programs and making recommendations to the Board of Directors on the following matters:

(1) The remuneration of directors and senior management;

(2) The formulation or amendment of 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 grantee;

(3) The arrangement of stock ownership plans for directors and senior management members in the event of a proposed spin-off of a subsidiary;

(4) Other matters as required by laws, administrative regulations, the provisions of the CSRC, and the Articles of Association.

Where the Board of Directors does not adopt or fully adopt the Committee's recommendations, it shall record the Committee's opinions and the specific reasons for non-adoption in the Board of Directors resolution and disclose such information.

The Committee shall review and approve compensation payable to executive directors and senior management in connection with the loss or termination of their office or appointment, or the dismissal or removal of directors due to their misconduct, to ensure that such compensation is consistent with the relevant contractual terms. In the event that such compensation is not consistent with the contractual terms, it must be fair and reasonable and not excessive.

Article 9 The remuneration plan for directors proposed by the Committee shall be submitted to the shareholders' meeting for review upon approval by the Board of Directors. The remuneration plan for senior management proposed by the Committee shall be submitted to the Board of Directors for review.

Chapter 4 Procedures of Decision-Making

Article 10 The Board office of the Company, human resources department and other relevant departments of the Company shall, upon the request of the Committee, provide all or part of the following written materials:

(1) The Company's performance against its key financial indicators and operating targets;

(2) The scope of responsibilities and primary duties of senior management;

(3) Performance against the relevant metrics under the performance appraisal system for directors and senior management;

(4) The business innovation capability, revenue generating ability, and operational performance of directors and senior management;

(5) The relevant calculation basis for formulating the Company's remuneration plans and allocation methods based on the Company's performance.

Article 11 The appraisal procedures for directors and senior management by the Committee shall be conducted as follows:

(1) The directors and senior management of the Company shall present their work reports and self-assessments to the Committee;

(2) The Committee shall conduct performance appraisals of the directors and senior management in accordance with the performance evaluation criteria and procedures;

(3) Based on the results of the position performance appraisal and the remuneration allocation policy, the Committee shall propose the remuneration amount and incentive scheme for the directors and senior management, which shall be reported to the Company's Board of Directors upon pass by a vote of the Committee.

Chapter 5 Rules of Procedure

Article 12 Committee meetings shall be held by giving notice to all members 3 days in advance.

Committee members may propose an extraordinary meeting, and the convener shall convene and preside over such meeting within 3 days of receiving the proposal; If it is necessary to convene an extraordinary meeting as soon as possible, under the unanimous consent of all members, the above time limit of notice for convening an extraordinary meeting may also be waived, however, the convener shall provide an explanation at the meeting.

Article 13 Committee meetings shall be held with the attendance of more than half of the members. Each member shall have one vote. Resolutions made at meetings must be approved by more than half of the members.

Article 14 When deemed necessary, the Committee may invite of the Company's directors, and senior management, as well as the heads of the human resources department and other relevant departments to attend Committee meetings as non-voting participants.

Article 15 When necessary, the Committee may engage intermediary institutions to provide professional advice for its decision-making, with expenses borne by the Company.

Article 16 Committee meetings shall be held in person as a general rule, with voting conducted by a show of hands. Where necessary, provided that all members attending the meeting are able to fully communicate and express their views, voting may be conducted by correspondence.

Article 17 Members of the Committee shall express their opinions clearly and independently based on their own judgment and strive to reach a unified opinion. Where it is truly difficult to reach a unified opinion, all dissenting opinions shall be recorded in the meeting minutes with explanations provided.

Article 18 The procedures for convening Committee meetings, the voting method, and the resolutions adopted at meetings shall comply with relevant laws, regulations, the Articles of Association, and these Terms of Reference.

Article 19 Committee meetings shall be recorded, with sufficient detail concerning the matters considered and the decisions reached, including any concerns raised or objections expressed by directors. Committee members attending the meeting shall sign the minutes. The minutes shall be kept by the company secretary of the Board of Directors for a period of 10 years.

Article 20 Resolutions adopted and voting results of Committee meetings shall be reported to the Board of Directors in writing.

Article 21 All members present at the meeting shall have a duty of confidentiality regarding the matters discussed at the meeting and shall not disclose relevant information without authorization.

Chapter 6 Supplementary Provisions

Article 22 The term "or more" in these Terms of Reference includes the specified number, while "more than" excludes the specified number.

Article 23 Matters not covered in the Terms of Reference shall be implemented in accordance with the provisions of the relevant laws, regulations of the PRC, and the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association. In case of any conflict between the Terms of Reference and any future laws and regulations of the PRC or the Articles of Association as amended by legal procedures, the relevant laws and regulations of the PRC, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association shall prevail.

Article 24 The Board of Directors shall be responsible for interpreting the Terms of Reference.

Article 25 These Terms of Reference shall come into effect and will be implemented upon the approval of the Board of Directors and the listing of the Company's issued overseas-listed shares (H-shares) on the Main Board of the Hong Kong Stock Exchange.