Implementation Rules and Regulations of

Remuneration and Appraisal Committee

(The Rules and Regulations were approved at the 12th meeting of the 4th session of the Board of Directors on 6 February 2004)
(1st Amended at the 6th meeting of the 7th session of the Board of Directors on 29 March 2012)
(2nd Amended at the 4th meeting of the 11th session of the Board of Directors on 25 April 2024)
(3rd Amended at the 18th meeting of the 11th session of the Board of Directors on 29 December 2025)

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to further establish a robust management system on the remuneration and appraisal of the Senior Management Members (as defined in Article 3) of CSSC Offshore & Marine Engineering (Group) Company Limited (hereinafter referred to as the "Company"), and improve the corporate governance structure, the Remuneration and Appraisal Committee of the board is established and these Implementation Rules and Regulations were formulated by the Company in accordance with the Company Law of the People's Republic of China, the Guidelines for the Governance of Listed Companies, the respective applicable rules of the stock exchanges on which the shares of the Company are listed (hereinafter referred to as the "Listing Rules"), the Guidelines for Self-Regulation of Companies Listed on the Shanghai Stock Exchange No. 1 – Regulation of Operation, the Articles of Association of CSSC Offshore & Marine Engineering (Group) Company Limited (the "Articles of Association") and other relevant regulations.

Article 2 The Remuneration and Appraisal Committee is a body specially constituted under the board. It is responsible for formulating and evaluating the assessment standards of directors and senior management, formulating and reviewing the remuneration policies and proposals of directors and Senior Management Members, and the Committee shall be accountable to the board.

Article 3 The Senior Management Members herein referred to the chairman, the vice chairman, the directors, the manager, the secretary of the board appointed by the

board who receive remuneration from the Company, and other senior management members recognized by the board. Senior Management Members who do not receive remuneration from the Company are not subject to the assessment under these Implementation Rules and Regulations.

CHAPTER 2 MEMBERSHIP

Article 4 The Remuneration and Appraisal Committee shall be composed of three directors, two of whom shall be independent non-executive directors.

Article 5 The members of the Remuneration and Appraisal Committee shall be nominated by the chairman of the board or more than half of the independent non-executive directors or one-third of all directors and be elected by the board.

Article 6 The Committee shall have a chairman who must be an independent non-executive director and shall take charge of the Committee's work. The chairman shall be elected by the Committee from its members who are independent non-executive directors and shall become effective after the result is reported to, and approved by, the board.

Article 7 The term of office of a Committee member shall be consistent with his term as director. Upon the expiration of his term, a member may serve a consecutive term if re-elected. Where a member ceases to be a director of the Company during his term, he shall cease to be a member automatically and the replacement shall be appointed by the board in accordance with Articles 4 to 6 above.

Article 8 The Remuneration and Appraisal Committee shall establish a working group', which is responsible for the work liaison, meeting organization, material preparation and file management. When the Remuneration and Appraisal Committee performs its duties, the Company's management and relevant departments shall cooperate in its work.

CHAPTER 3 POWERS AND DUTIES AND THEIR PERFORMANCE

Article 9 The principal powers and duties of the Remuneration and Appraisal Committee are:

(1) to set the remuneration structure, scheme, proposal and/or policy based on the major scope, responsibilities and importance of the managerial positions of directors and Senior Management Members, as well as the levels of the remunerations of relevant positions in relevant enterprises in compliance with the principles of being fair, equitable, reasonable and to set up the procedures which should be followed in relation to setting up the remuneration structure, scheme, proposal and/or policy

(which procedures must be formal and transparent). The remuneration structure, scheme, proposal and/or policy shall include but not limited to appraisal standard, procedures and the principal appraisal system, the main proposal and system of reward and penalties;

(2) to review and approve the remuneration proposals for the senior management with reference to the board's corporate goals and objectives;

(3) to make recommendations to the board on the remuneration packages (including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment) of individual executive directors and Senior Management Members;

(4) to make recommendations to the board on the remuneration of non-executive directors;

(5) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group of which the Company belongs to;

(6) to consult the chairman of the board (or manager) about the committee's remuneration proposals for the executive directors who are not chairman of the board or manager;

(7) to review and approve compensation payable to executive directors and Senior Management Members for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and reasonable and not excessive;

(8) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure they are consistent with contractual terms and are otherwise reasonable and appropriate;

(9) to ensure that no director or any of his associates is involved in deciding his own remuneration;

(10) to review the performance of directors and Senior Management Members of the Company regularly and conduct annual performance appraisal.

(11) to supervise the implementation of the remuneration system of the Company;

(12) to review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; to make recommendation to the board of directors 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 arrangement for share ownership plan for directors and Senior

Management Members in proposed spin-off of subsidiaries;

(13) other matters as prescribed by applicable laws, regulations, the Listing Rules and the matters as authorized by the board.

Article 10 The board has the power to veto the remuneration plan and scheme that may impair the interests of shareholders.

Article 11 The remuneration scheme for directors of the Company proposed by the Committee shall be approved by the board and the implementation of which is subject to the consideration and approval at the general meeting. The remuneration allocation scheme for other Senior Management Members appointed by the board shall be approved by the board.

Article 12 The working team under the Remuneration and Appraisal Committee shall be responsible for the preliminary preparatory works in relation to the decision-making of the Committee, providing the information relevant to the remuneration and appraisal matters of the Company which may include:

(1) the extent to which the major financial indicators and operation goals of the Company is achieved;

(2) the information on the assigned scope of work and main duties of the Company's Senior Management Members;

(3) the extent to which the targets involved in the job performance appraisal scheme for directors and Senior Management Members are achieved;

(4) the information on the operating performance of the Company in connection to the innovative and profit-creating capabilities of the directors and Senior Management Members;

(5) drafting of the relevant estimating basis in relation to the Company's remuneration allocation plan and the way of allocation based on the performance of the Company.

Article 13 The Remuneration and Appraisal Committee's assessment procedures on Senior Management Members:

(1) Senior Management Members shall report to the Remuneration and Appraisal Committee of the board on their work and conduct self-evaluation;

(2) the Remuneration and Appraisal Committee will conduct performance appraisal of the Senior Management Members in accordance with the standard and procedure of performance appraisal, and propose the amount and the way of reward for the Senior Management Members in accordance with the result of the job performance appraisal and the remuneration allocation policy, which shall be submitted to the board for approval after its approval by voting.

CHAPTER 4 RULES OF PROCEEDINGS

Article 14 The Remuneration and Appraisal Committee shall hold meeting at least once every year. Meeting of the Remuneration and Assessment Committee may be convened only on the proposal of two or more members or when the chairman considers it necessary.

A meeting of the Remuneration and Appraisal Committee can be held only if more than two-thirds of the members are present.

Article 15 Meeting of the Remuneration and Appraisal Committee may be held on-site, by means of telecommunication (including video, telephone, fax, email, etc.), or by means of a combination of on-site and telecommunication.

Article 16 In principle, notice of the meeting of the Remuneration and Appraisal Committee shall be issued three days before the meeting is held. If the situation is urgent and a meeting shall be convened as soon as possible, the aforesaid notification period requirement may be waived with the unanimous consent of all members. The notice of meeting shall be attached with the complete contents of proposed resolution(s).

Article 17 Members shall, in principle, attend the meeting in person. If they are unable to attend the meeting in person for any reason, they shall review the meeting materials in advance, form a clear opinion, and entrust other members in writing to attend the meeting on their behalf. Each member shall be entitled to one vote.

Article 18 The meeting shall be presided over by the chairman. If the chairman is unable to attend the meeting, he shall entrust another independent non-executive director to preside over the meeting.

Article 19 Resolutions made at the meeting of the Committee shall be approved by two or more members in order to be valid.

Article 20 Senior Management Members and members of the working group may be invited to attend such meetings as observers if necessary.

Article 21 The Company shall provide the Remuneration and Appraisal Committee with sufficient resources to perform its duties. If necessary, the Remuneration and Appraisal Committee may appoint intermediaries to provide independent professional advice for its decision-making at the costs and expenses of the Company.

Article 22 If the Remuneration and Appraisal Committee meeting discuss issues regarding a member, the relevant member should be avoided therefrom.

Article 23 The convening procedure and voting method of the meetings of the Remuneration and Appraisal Committee and the resolutions passed at such meetings

shall comply with the relevant laws, regulations, the Listing Rules, the Articles of Association of the Company and these Implementation Rules and Regulations.

Article 24 Minutes shall be kept for meetings of the Remuneration and Appraisal Committee, and the meeting minutes shall be true, accurate and complete, and fully reflect the opinions of the participants on the matters under consideration. The members present at the meeting shall sign on the minutes of the meeting.

Article 25 Resolutions passed by and voting results of the meeting of the Committee shall be reported to the board in writing.

Article 26 Members present at the meeting shall have an obligation to keep all matters discussed in such meeting confidential, and shall not disclose the relevant information without authorization.

Article 27 The meeting records of the Remuneration and Appraisal Committee, including the notice and materials of the meeting, the letter of authorization for the members to attend on their behalf, the votes, the meeting resolutions signed and confirmed by the members present, minutes of the meeting, etc., shall be kept for at least ten years.

CHAPTER 5 SUPPLEMENTARY PROVISIONS

Article 28 Any matters not covered by these Implementation Rules and Regulationsshall be implemented in accordance with the relevant provisions of the relevant laws and regulations of the People's Republic of China, the Articles of Association and the respective listing rules of the stock exchanges on which the shares of the Company are listed.

Article 29 Should these Implementation Rules and Regulations be in conflict with the relevant laws and regulations of the People's Republic of China, they shall be implemented in accordance with the relevant laws and regulations of the People's Republic of China.

Article 30 The board of directors shall be responsible for the interpretation of and amendment to these Implementation Rules and Regulations after they come into effect upon the consideration and approval by the board of directors.

Note: *The English version is for reference only. Should there be any inconsistency or discrepancy between the English and the Chinese versions, the latter shall prevail.*