Anhui Conch Material Technology Co., Ltd.
安徽海螺材料科技股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 02560)

TERMS OF REFERENCE AND RULES OF PROCEDURES OF THE REMUNERATION COMMITTEE UNDER THE BOARD

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to further establish a sound remuneration management system and consummate corporate governance structure of Anhui Conch Material Technology Co., Ltd. (the "**Company**") and its subsidiaries (collectively, the "**Group**"), the remuneration committee under the Board is established and these rules of procedures are formulated in accordance with the relevant laws and regulations of the Company Law of the People's Republic of China (the "**Company Law**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**") and the requirements of the Articles of Association of Anhui Conch Material Technology Co., Ltd. (Applicable After the Issuance of Overseas Listed Foreign Shares) (the "**Articles of Association**").

Article 2 The Remuneration Committee (the "**Committee**") is a specialized working body under the Board and is principally responsible for researching the remuneration strategies and policies, performance appraisal and incentive mechanism and other matters regarding the remuneration of directors and senior management members, and making relevant recommendations to the Board. Upon the approval by the Board, they will be proposed for consideration at the general meeting.

Article 3 For the purpose of these rules of procedures, senior management members means the general manager, the deputy general manager, the financial officer and the secretary to the Board of the Company.

CHAPTER 2 COMPOSITION

Article 4 The Committee shall consist of three (or more) directors who shall be directly appointed by the Board and the majority of whom shall be independent non-executive directors. The Committee shall be chaired by an independent non-executive director.

Article 5 Members of the Committee shall attend meetings of the Committee regularly, and shall actively express their opinions on matters proposed at the meetings and have a thorough understanding of the roles and responsibilities of the Committee.

Article 6 The secretary to the Board or the joint company secretaries or their proxy shall be the secretary of the Committee.

Article 7 Members of the Committee shall disclose to the chairman of the Committee the following matters:

(I) any personal financial interest (other than as a shareholder) in any matter to be decided by the Remuneration Committee; and

(II) any potential conflict of interest arising from a cross-directorship.

Any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and abstain from participating in the discussions concerning such resolutions, and shall resign from the Remuneration Committee (at the request of the Board).

CHAPTER 3 DUTIES AND RESPONSIBILITIES

Article 8 The duties and responsibilities of the Committee shall include:

(I) making recommendations to the Board on the Company's policy and structure for the remuneration of all directors and senior management members and establishment of a formal and transparent procedure for the formulation of a remuneration policy;

(II) reviewing and approving remuneration proposals of senior management members with reference to corporate goals and objectives as the Board may determine from time to time;

(III) being responsible, as the Board directs, for making recommendations to the Board on the remuneration packages of individual executive directors and senior management members, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment);

(IV) making recommendations to the Board on the remuneration of non-executive directors of the Company (including independent non-executive directors), advisors to the Board (if any) and members of various committees under the Board;

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

(VI) subject to prior approval at the general meeting, reviewing and approving 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, reasonable and not excessive;

(VII) subject to prior approval at the general meeting, reviewing and approving compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

(VIII) implementing other matters stipulated by laws, regulations, normative documents, the Articles of Association and these rules of procedures, required by the securities regulatory authorities of the place where the shares of the Company are listed and authorized by the Board.

Article 9 The remuneration plans proposed by the Committee for directors and senior management of the Company shall be subject to approval by the Board. The remuneration plans for senior management shall be subject to approval by the Board, and the remuneration plans for directors shall be subject to approval at the general meeting. The foregoing remuneration plans shall not damage the interests of shareholders.

Article 10 Pursuant to Rule 13.68 of the Hong Kong Listing Rules, the Committee shall advise on directors' service agreements requiring the approval of shareholders. It shall notify shareholders of whether relevant terms in the agreements are fair and reasonable, whether such agreements are in the interest of the Company and its shareholders as a whole, and shall advise on procedures for shareholders (except for shareholders who are directors and who have material interest in such service agreements as well as their associates) to vote. The aforesaid directors' service agreements requiring shareholders' approval include agreements with a service term longer than three years, agreements providing for more than a one-year prior notice shall be given or compensation or other expenses equal to the remuneration of more than one year shall be paid if the Company terminates the agreements, and agreements required by the securities regulatory authorities of the place where the shares of the Company are listed.

Article 11 The Committee shall ensure that the directors' remuneration policy, details of any remuneration payable to senior management members by band and other remuneration related matters are disclosed in the annual reports, and shall be responsible for approving all disclosure statements in relation to the Committee, including but not limited to relevant disclosure statements in annual reports, semi-annual reports and information uploaded to the websites of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Company.

Article 12 Subject to the Corporate Governance Code (the "**Governance Code**") set out in the Hong Kong Listing Rules, the Committee shall exercise other powers, authorities and discretions delegated by the Board to it from time to time in determining the remuneration of executive directors, non-executive directors and senior management members, as well as perform other duties and responsibilities.

Article 13 In performing its duties in accordance with these rules of procedures, the Committee shall:

(I) encourage the senior management members to establish a remuneration culture which is in line with the Group's overall strategy, and supports the realization of the Group's vision, mission and values, and provide competitive remuneration packages to attract, retain and motivate high caliber executive directors of the Company with reference to market practice;

(II) consult the chairman of the Board and/or the general manager about the remuneration proposals for other executive directors and senior management. The Committee may seek independent professional advice if necessary;

(III) determine the position of remuneration package paid by the Company relative to other companies in the industry in which the Company operates, by considering the level of remuneration paid by comparable companies in industry in which the Company operates, time commitment and duties and responsibilities, and employment conditions elsewhere in the Group;

(IV) be sensitive to market practice, including salary and employment conditions within the Company and elsewhere in the industry in which the Company operates, especially when determining annual salary increases;

(V) ensure that the part of remuneration linked to corporate and individual performance contributes a significant portion of the total remuneration package of executive directors and senior management members, in order to motivate employees, align their interests with those of the shareholders, attract and retain talent, and to facilitate each of the directors and senior management members to provide the highest level services to the Company;

(VI) ensure that none of the directors and their associates (within the meaning of the Hong Kong Listing Rules) would participate in the determination of their own remuneration;

(VII) ensure that the share options to be granted to the directors or senior management members by the Company, if any, are in compliance with the requirements of Chapter 17 of the Listing Rules, if applicable, and that the Company's employee incentive plan is in compliance with applicable regulations;

(VIII) work closely with other committees under the Board and communicate with other committees appropriately on a regular basis to ensure the timely supervision of the remuneration management of the Company; and

(IX) upload these rules of procedures to the websites of the Stock Exchange and the Company to explain its duties and responsibilities as well as the authority delegated to it by the Board.

CHAPTER 4 POWER

Article 14 The Committee has the right to seek adequate administrative support and resources from the senior management members of the Group for the work of the Committee to perform its duties and has separate and independent access to the senior management members of the Group.

Article 15 The senior management members shall provide the Committee with all necessary information appropriate for the Committee to discharge its responsibilities in a timely manner. The Committee has the right to request any senior management members of the Group to promptly and as comprehensively as possible respond to the queries raised by any member of the Committee.

Article 16 Members of the Committee may, upon reasonable request, seek independent professional advice for their decision-making in appropriate circumstances, at the Group's expense. In the event of seeking professional advice from an external consultant, such consultant shall be appointed by the chairman of the Committee and its opinions shall be directly submitted to the chairman of the Committee (independent of the senior management members).

CHAPTER 5 RULES OF PROCEDURES

Article 17 The Committee shall convene regular meetings at least once a year and in principle before the periodic meetings of the Board. Notice shall be given to all members no less than 3 business days prior to the meeting. Such notice period may be waived with the written consent of more than half of the members of the Committee.

Article 18 Extraordinary meetings may be convened upon proposal by the chairman or more than half of all members of the Committee. Notices of extraordinary meetings shall be given to all members no less than 3 business days prior to the meeting. Such notice period may be waived with the written consent of more than half of the members of the Committee.

Article 19 Materials and notice of the meetings of the Committee shall be issued simultaneously. All members shall familiarize themselves fully with the meeting materials prior to the meeting.

Article 20 In principle, the meetings of the Committee shall be convened by way of a physical meeting in the presence of more than half of all members. However, in order to allow all members to fully express their opinions, the meetings may also be convened by telecommunication means or circulation of written resolutions. Telecommunication means refer to the use of telephone, video conference and other means to participate in the meeting; circulation of written resolutions refers to the way of making decision on proposals through separate or circulated service. The quorum of the meetings of the Committee shall be two members of the Committee, one of whom must be an independent non-executive director.

Article 21 The chairman of the Committee shall preside over meetings of the Committee. In the event that the chairman of the Committee is unable to attend, another member (who is an independent non-executive director) may be designated to preside over the meetings. If such designation is not made, more than half of the members being present shall select a member (who is an independent non-executive director) to preside over the meetings.

Article 22 Members of the Committee shall attend the meetings in person. In the event that a member is unable to attend, he/she may authorize another member in writing to attend and vote on his behalf. The proxy who attends and votes at the meeting shall submit the power of attorney to the chairman of the meeting before the meeting begins. The power of attorney shall set out the name of the principal, name of the proxy, matters delegated, voting instructions on matters proposed at the meeting (for or against), scope and validity period of authorization, and shall be signed or sealed by the principal. The proxy shall exercise the right within the scope of authorization. The principal who authorizes other members to attend the meeting on his behalf shall be solely liable to any decisions made by the proxy within his scope of authorization.

Article 23 Votes at the meetings of the Committee shall be conducted by a show of hands, by voice or by disclosed ballot, and every member shall have one vote. Resolutions made at the meetings shall not take effect unless they are passed by more than half of all members (including members unable to be present). Members of the Committee shall give express votes, either for or against, and may not abstain from voting.

Article 24 Representatives of the Human Resources Department shall usually attend the meetings of the Committee to provide assistance. When deemed necessary by the Committee, it may also invite non-members of the Committee such as directors, relevant senior management members and head of relevant departments of the Company to be in attendance at some or all of the meetings of the Committee. Prior approval from the chairman of the Committee shall be obtained for the list of such persons in attendance at the meeting.

Article 25 In the process of evaluating the directors and senior management and discussing their remunerations, any member who is involved, along with his/her associates shall abstain from attending the meetings. If a non-executive director or an independent non-executive director is a member of the Committee, his/her remuneration shall be determined by other members of the Remuneration Committee.

Article 26 Full records of the meetings of the Committee shall be kept. Minutes of the meetings of the Committee shall sufficiently record the matters considered and decisions reached by the Remuneration Committee in detail, including any concerns raised by the members or dissenting views expressed. Members attending the meetings shall sign on the final version of the minutes of the meetings of the Committee.

Article 27 Members of the Committee and persons in attendance at the meetings are obligated to keep all considered matters confidential and shall not disclose such information without approval.

CHAPTER 6 REPORTING PROCEDURES

Article 28 All minutes of the meetings prepared by the Committee in accordance with the Article 26 regarding the rules of procedures shall be kept by the secretary of the Committee and be available for inspection at any reasonable time on reasonable notice by any director.

Article 29 The Committee shall regularly report to the Board on matters set out in these rules of procedures, including the work of the Committee and any material issues in relation to the remuneration system of the Company, and shall consider other topics as defined by the Board, unless the Committee is restricted by legal or regulatory restriction and cannot report.

CHAPTER 7 ANNUAL GENERAL MEETING

Article 30 The chairman of the Committee shall attend annual general meetings of the Company and be prepared to answer any shareholder's questions in relation to the affairs of the Remuneration Committee.

Article 31 If the chairman of the Committee is unable to attend an annual general meeting of the Company, he shall arrange for another member (who must be an independent non-executive director) of the Committee to attend in his place. Such member shall be prepared to answer any shareholder's questions in relation to the work of the Committee at the annual general meeting.

CHAPTER 8 EFFECTIVE DATE AND AMENDMENTS

Article 32 Upon the date of approval by the Board, these rules of procedures shall become effective and be implemented. Where it is necessary to amend these rules of procedures in light of changes in circumstances, the amendments shall be proposed by the Committee and submitted to the Board for consideration and approval.

Article 33 Matters not covered by these rules of procedures shall be handled in accordance with the requirements of relevant state laws and regulations, the Hong Kong Listing Rules and the Articles of Association of the Company; in case there is any inconsistency between these rules of procedures and any future relevant state laws and regulations, the Hong Kong Listing Rules or the Articles of Association of the Company amended by lawful procedures, the relevant state laws and regulations, the Hong Kong Listing Rules and the Articles of Association of the Company shall prevail and these rules of procedures shall be amended accordingly, subject to the approval of the Board.

Article 34 These rules of procedures shall be interpreted by the Board.

Approved and adopted by the Board on 27 November 2025, with effective from 31 December 2025

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