沃尔核材

Shenzhen Woer Heat-Shrinkable Material Co., Ltd.

深圳市沃爾核材股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

Rules of Procedures for the Remuneration and Appraisal Committee of the Board of Directors

February 2026

Contents

Chapter 1　General Provisions

Article 1 In order to establish and improve the performance appraisal and evaluation system of Shenzhen Woer Heat-Shrinkable Material Co., Ltd. (the "**Company**"), formulate a scientific and effective remuneration management system and implement the talent development of the Company, the Board of Directors decides to establish a Remuneration and Appraisal Committee of the Company (the "**Remuneration Committee**") as a specialized body for formulating and managing the remuneration plans for the directors and senior management of the Company, and evaluating performance indicators.

Article 2 In order to ensure standardized and efficient operations, these Rules of Procedures are formulated by the Board of the Company in accordance with the Company Law of the People's Republic of China (the "**Company Law**"), the Code of Corporate Governance for Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies, the Self-regulatory Guideline No. 1 for Companies Listed on the Shenzhen Stock Exchange — the Standardized Operation of Companies Listed on the Main Board, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**"), and the Articles of Association of Shenzhen Woer Heat-Shrinkable Material Co., Ltd. (the "**Articles of Association**").

Article 3 Resolutions adopted by the Remuneration and Appraisal Committee must comply with provisions of the Articles of Association, these Rules of Procedures, and other relevant laws and regulations. Any resolution adopted by the Remuneration Committee that violates provisions of the Articles of Association, these Rules of Procedures, and other relevant laws and regulations shall be invalid.

Chapter 2　Composition

Article 4 The Remuneration Committee shall comprise three members, among which, the majority of the members shall be the independent directors. Members of the Remuneration Committee shall be elected by the Board of the Company.

Article 5 The Remuneration Committee shall have one chairperson who shall be held by the independent directors. The chairperson of the Remuneration Committee is appointed by the Board and is responsible for convening and presiding over the meetings of the Remuneration Committee. When the chairperson of the Remuneration Committee is unable or fails to perform his/her duties, he/she shall designate another independent director member to act on his/her behalf. Where the chairperson of the Remuneration Committee neither perform his/her duties nor designate another member to act on his/her behalf, any member may report the circumstance to the Board of the Company, which shall then designate an independent director member to perform the duties of the chairperson of the Remuneration Committee.

Article 6 Members of the Remuneration Committee must meet the following conditions:

(i) having not fallen into the categories where a person shall not serve as a director of the Company in accordance with the Company Law, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association;

(ii) having not been publicly determined as an unsuitable director of a listed company by any stock exchange, and the period of such determination has not yet expired;

(iii) having not been subject to any market entry restrictions imposed by the China Securities Regulatory Commission (the "**CSRC**") prohibiting the person from serving as a director, and the period of such restrictions has not yet expired;

(iv) possessing good moral character, and possessing relevant professional expertise or work experience in human resource management, business management, finance, law and related fields;

(v) other conditions required by relevant laws, regulations, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

Article 7 A person who does not meet the criteria prescribed in the preceding article shall not be elected as a member of the Remuneration Committee. A member of the Remuneration Committee who becomes disqualified in accordance with the requirements of the preceding article during his/her term shall resign or be removed by the Board.

Article 8 The term of office of the members of the Remuneration Committee shall be consistent with that of Directors of the Board. Each member of the Committee shall be eligible for re-election upon the expiry of his/her term of office. If any member ceases to serve as a director of the Company during the term, his/her qualification as a member of the Remuneration Committee shall be lost automatically, and the position(s) vacated by such member(s) shall be filled by the Committee in accordance with the provisions of Articles 4 to 6 as set forth above.

Article 9 Where the number of members of the Remuneration Committee falls below two-thirds of the required number due to members' resignation or removal or other reasons, the Board of the Company shall elect new members for the Committee as soon as possible.

Article 10 The requirements of the Company Law, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association on the obligations of directors are applicable to members of the Remuneration Committee.

Chapter 3 Duties and Authorities

Article 11 The Remuneration Committee, which is a specialized body established by the Board of Directors in accordance with relevant laws and regulations, reports to and is responsible to the Board of Directors.

Article 12 The Remuneration Committee shall be responsible for formulating criteria for appraising the performance of directors and senior management and conducing such appraisals, and formulating and reviewing remuneration policies and proposals for directors and senior management. The duties and powers of the Remuneration Committee are as follows:

(i) to make recommendations to the Board of Directors on the overall remuneration policy and structure for directors and senior management, and the establishment of a regular and transparent procedure for formulating remuneration policy;

(ii) to formulate remuneration plans or schemes for directors and senior management based on the main scope of their management positions, their responsibilities and significance, and with reference to remuneration levels for relevant positions in other related enterprises, the time required, the responsibility undertaken and employment conditions for other positions within the Company. The remuneration plans or schemes shall mainly include, but not be limited to, equity incentive mechanism, performance evaluation criteria, procedures, and key evaluation systems, as well as major plans and systems for rewards and punishments;

(iii) either:

1. to determine, with delegated responsibility by the Board of Directors, the remuneration packages of individual executive directors and senior management; or

2. to make recommendations to the Board on the remuneration packages of individual executive directors and senior management.

This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.

(iv) to make recommendations to the Board on the remuneration packages of independent directors;

(v) taking into account the remuneration paid by comparable companies, the time required and responsibilities involved, as well as the employment conditions for other positions within the Company, to review the performance of the directors (non-independent directors) and senior management of the Company in fulfilling their duties, conduct regular performance evaluations, and make recommendations;

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

(viii) to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms; in the event that such compensation is not consistent with the contractual terms, it must be fair and not excessive;

(ix) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms; in the event that such compensation is not consistent with the contractual terms, it must be reasonable and appropriate;

(x) to ensure that no director or any of their associates is involved in deciding that director's own remuneration;

(xi) to review and/or approve matters relating to share plans in accordance with Chapter 17 of the Hong Kong Listing Rules; be responsible for managing the equity incentive plan of the Company;

(xii) to handle other matters as required by laws, administrative regulations, normative documents, regulatory rules of the place where the shares of the Company are listed, and authorized by the Board.

Article 13 The Remuneration Committee shall make recommendations to the Board of Directors on the following matters:

(i) remuneration of directors and senior management;

(ii) formulating or amending equity incentive plan and employee share ownership plan, and the conditions for the grant of benefits to the incentive targets and the exercise of such benefits;

(iii) shareholding plans arranged by directors and senior management in the proposed spin-off subsidiaries;

(iv) other matters stipulated by laws and administrative regulations, regulatory rules of the place where the shares of the Company are listed, and the Articles of Association.

Where the Board of Directors does not adopt or does not fully adopt the recommendations of the Remuneration Committee, it shall record the opinions of the Remuneration Committee and the specific reasons for not adopting such recommendations in the resolution of the Board and disclose such information.

Article 14 The Remuneration Committee shall exercise its powers in accordance with the relevant provisions of the Company Law, the securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association and the rules of procedures, and shall not harm the interests of the Company and its shareholders.

Article 15 The remuneration plan for the directors of the Company proposed by the Remuneration Committee shall be submitted to shareholders' meeting for approval and then presented to the Board of Directors for deliberation and approval before it can be implemented. The remuneration plan for senior management proposed by the Remuneration Committee shall be submitted to the Board of Directors for approval.

Article 16 The equity incentive plan formulated by the Remuneration Committee shall be approved by the Board of Directors of the Company or at the Shareholders' meeting.

Article 17 Proposals formed by the Remuneration Committee shall be submitted to the Board of Directors or the Shareholders' meeting for approval.

Article 18 When the Remuneration Committee performs its duties, relevant departments of the Company shall provide cooperation, and the Company shall bear the necessary expenses.

Chapter 4 Convening and Notification of Meetings

Article 19 Meetings of the Remuneration Committee can be classified into regular meetings and extraordinary meetings. The Remuneration Committee should hold at least one regular meeting within each fiscal year. Regular meetings should be held within four months of the end of the previous fiscal year. An extraordinary meeting of the Remuneration Committee may be requested by the chairperson of the Remuneration Committee or by two or more members jointly.

Article 20 The meetings of the Remuneration Committee shall be held on-site. On the premise of ensuring that all participating directors can fully communicate and express their opinions, the meetings may be held by video, telephone or other means when necessary in accordance with the procedures. Unless otherwise provided in the Articles of Association or these Rules of Procedures, the Remuneration Committee may make resolutions at extraordinary meetings by means of communication such as fax, internet, or telephone, provided that the members are given full opportunity to express their opinions. The resolutions shall be signed by the participating members, and those who sign the resolutions shall be deemed to have attended the relevant meeting and agreed to the contents of the resolutions.

Article 21 The Remuneration Committee shall give notice to all members three days before the convening of the meetings by means of written notification, fax, telephone, e-mail or other expedited means.

In the event of emergency requiring convening an extraordinary meeting, the notice of the meeting can be exempted from the above time limit, and be sent at any time by telephone, e-mail or other means together with relevant materials and information, but the convener should make explanations in the meeting.

Chapter 5 Consideration and Voting Procedures

Article 22 The Remuneration Committee may not be held unless a quorum of more than two thirds (inclusive of two-thirds) of its members is present. The directors of the Company may attend the meetings of the Remuneration Committee, but the directors that are not members shall have no right to vote on the resolutions in the meetings.

Article 23 The member of the Committee who serves as an independent director shall attend the meeting in person. If the member is unable to attend the meeting for any reason, he/she shall review the meeting materials in advance, formulate a clear opinion, and appoint another member in writing to attend the meeting on his/her behalf. The member who serves as a non-independent director may delegate another member to attend the meeting and exercise the voting right on his/her behalf if he/she is unable to attend the meeting in person for any reason. Each member of the Remuneration Committee shall appoint only one other member as his/her proxy to exercise the voting right on his/her behalf. Where any member appoints two or more members to exercise the voting right on his/her behalf, such appointment shall be deemed invalid.

Article 24 If any member of the Remuneration Committee appoints another member to attend the meetings and exercise the voting right on his/her behalf, he/she shall submit a power of attorney to the presider before the voting of the meetings.

Article 25 A power of attorney shall be signed by the appointing member and the proxy, and shall include at least the following information:

(i) the name of the appointing member;

(ii) the name of the proxy;

(iii) the entrusted matters;

(iv) the instruction as to how to vote on the proposed resolutions (voting for, voting against, abstaining, recusing) and the explanation as to whether the proxy may vote in his/her discretion in the absence of specific instruction;

(vii) the validity period of the power of attorney;

(viii) the date of signing the power of attorney.

Article 26 Members of the Remuneration Committee will be considered absent from the meetings if they fail to attend in person or by proxy. Members of the Remuneration Committee who are absent from the meetings twice consecutively will be deemed unable to perform their duties and powers and may be removed from the Committee by the Board of the Company.

Article 27 Resolutions made by the Remuneration Committee shall not be valid unless passed by more than half of all members (including those who are not present) voting thereon. Each member of the Remuneration Committee shall have one vote.

Article 28 Members of the Remuneration Committee would be free to discuss the subject matters considered at the meetings, but order shall be maintained at the meetings. No speaker shall use any offensive or other insulting or threatening language. The presider of the meeting shall have the right to decide the time for discussion.

Article 29 Matters proposed at the Remuneration Committee meetings are subject to collective consideration and voting on a case-by-case basis, i.e. all the proposals are considered by all members present and then are put to vote one by one according to the order of consideration.

Article 30 The Remuneration Committee may, if considered necessary, invite other persons in connection with the proposals to attend the meetings to provide detailed information or express their opinions. Those who are not members of the Remuneration Committee, however, do not have voting rights on the proposals.

Article 31 Members present at the meetings shall consider the proposals and give full expression of their personal opinions with a conscientious and responsible attitude; members shall be responsible for their own votes.

Article 32 Voting at both the regular meetings and extraordinary meetings of the Remuneration Committee shall be conducted by a show of hands or by correspondence. The order of voting shall be "for", "against" and "abstain" or "recuse". Each member present shall have only one vote on one proposal by a show of hands; should a member put his/her hand up more than once, only the last show of hand is valid. If a member attends the meeting on his/her own and another member's behalf, one vote cast by him/her by a show of hands shall be considered two votes to the extent that his/her appointer agrees with him/her on the proposal; otherwise he/she may cast votes separately according to his/her own and his/her appointer's opinions; in case the proxy makes no special statements during the voting, an appointer is deemed to agree with his/her proxy. If the resolution at the Remuneration Committee meeting is made by means of correspondence, voting on the resolution is by signature. The presider of the meeting shall count the votes on each proposal and announce the voting results on the spot, which shall be recorded by the minute taker.

Article 33 Meetings of the Remuneration Committee shall be recorded by the staff of the secretary's office of the Board of the Company.

Chapter 6 Resolutions and Minutes of Meetings

Article 34 Each proposal on which a prescribed number of valid votes are cast shall become a resolution of the Remuneration Committee upon announcement by the presider of the meeting. The resolutions of the Remuneration Committee come into effect after being signed by the members present at the meeting. No modification or alteration shall be made to the resolutions of the Remuneration Committee that have become effective without going through the legitimate procedures as required by laws, regulations, the Articles of Association and these Rules of Procedures.

Article 35 Members of the Remuneration Committee or the Board Secretary of the Company shall report details of the resolutions to the Board of the Company no later than the day after such resolutions have been come into effect.

Article 36 The written resolutions of the Remuneration Committee shall be kept as the Company's archives by the Board Secretary of the Company, and the retention period shall be ten years during the existence of the Company.

Article 37 Members of the Remuneration Committee who participate in the voting on a resolution shall be jointly liable for compensation to the loss of the Company resulting from improper benefits obtained by senior management, should such resolution be in violation of laws, regulations or the Articles of Association. However, if the member is proven to have cast his/her votes against such resolution and it was so recorded in the meeting minutes, he/she may be exempted from the liabilities.

Article 38 In the process of implementing resolutions passed at the Remuneration Committee meetings, the chairperson of the Remuneration Committee or another member designated by him/her shall conduct follow-up inspection on the implementation of the resolutions, and may request and urge the person concerned to remedy the identified breach of resolutions. Should the person concerned refuse to remedy, the chairperson of the Remuneration Committee or the member designated by him/her shall report to the Board of the Company for handling.

Article 39 The Remuneration Committee shall maintain written meeting minutes on which members present and the minutes taker shall sign their names. Members present shall have the right to request explanatory remarks on his/her speech at the meeting to be written down in the minutes. The minutes of the Remuneration Committee meetings shall be kept as the Company's archives by the Board Secretary of the Company, and the retention period shall be ten years during the existence of the Company.

Article 40 Minutes of the Remuneration Committee meetings shall include at least the following information:

(i) date and venue of the meeting and name of the convener;

(ii) names of attendees, with special notes added for proxies;

(iii) agenda of the meeting;

(iv) highlights of members' speeches;

(v) the way of voting on each item or proposal and voting results that set out the numbers of votes for and against and the number of votes to abstain;

(vi) other matters that shall be explained or recorded in meeting minutes.

Chapter 7 Abstention System

Article 41 Where a Remuneration Committee member or his/her immediate family member, or any other enterprise controlled by a Remuneration Committee member or his/her immediate family member has a direct or indirect interest in a matter under discussion at a meeting, the member shall promptly disclose the nature and extent of such interest to the Remuneration Committee.

Article 42 In the scenario mentioned in the preceding article, the interested member shall explain the relevant circumstances in detail at the meeting of the Remuneration Committee and clearly indicate that he/she will abstain from voting. However, if the other members of the Remuneration Committee agree after discussion that such interests will not have a significant impact on the voting matters, the interested member may participate in the voting. If the Board of the Company deems that it is inappropriate for the interested member in the preceding paragraph to participate in voting, it may revoke the voting results of the relevant proposals and request the disinterested members to vote again on the relevant proposals.

Article 43 The meeting of the Remuneration Committee shall deliberate and make resolutions on the proposals without including the interested member in the quorum. If the Remuneration Committee fails to meet the minimum quorum after recusal of the interested member, all members (including interested members) shall resolve procedural matters such as submitting the relevant proposals to the Board for deliberation, and the Board of the Company shall deliberate on such proposals.

Article 44 The meeting minutes and resolutions of the Remuneration Committee shall indicate that interested members are not counted in the quorum and do not participate in the voting.

Chapter 8 Work Evaluation

Article 45 During the recess of the Remuneration Committee, the members may conduct necessary follow-up on the performance of directors and senior management. Relevant departments of the Company shall actively cooperate and promptly provide the necessary materials to the members.

Article 46 Remuneration Committee members shall have the right to review the following relevant materials:

(i) the Company's annual business plan, investment plan, and business objectives;

(ii) the Company's periodic reports;

(iii) the Company's financial statements;

(iv) the Company's various management systems;

(v) resolutions and meeting minutes of the Company's shareholders' meetings, Board meetings, and management office meetings;

(vi) other relevant information.

Article 47 Remuneration Committee members may question senior management of the company regarding specific matters, and senior management shall provide responses.

Article 48 Members of the Remuneration Committee shall, based on the information they have obtained and in accordance with the Company's performance in achieving its business objectives and taking into account other relevant factors, evaluate the performance indicators, remuneration plans, and remuneration levels of directors and senior management.

Article 49 Remuneration Committee members shall maintain confidentiality regarding the Company's information they obtain until such information is publicly disclosed.

Chapter 9 Supplementary Provisions

Article 50 The term "senior management" as used in these Rules of Procedures includes the general manager, deputy general manager, Secretary to the Board, and chief financial officer of the Company.

Article 51 Unless otherwise explicitly defined by relevant national laws, administrative regulations, and securities regulatory rules of the place where the Company's shares are listed, the term "independent director" as used in these Rules of Procedures shall have the same meaning as "independent non-executive director" under the Hong Kong Listing Rules.

Article 52 Matters not covered by these Rules of Procedures shall be governed by relevant national laws, regulations, normative documents, securities regulatory rules of the place where the shares of the Company are listed, and the relevant provisions of the Articles of Association. In the event of any conflict between these Rules of Procedures and the Articles of Association, the Articles of Association shall prevail.

Article 53 The Board of the Company shall be responsible for interpreting these Rules of Procedures. These Rules of Procedures shall take effect and be implemented upon approval by the Board of the Company, commencing from the date the Company's H Shares are filed with the CSRC and listed for trading on The Stock Exchange of Hong Kong Limited.

Shenzhen Woer Heat-Shrinkable Material Co., Ltd.

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