Zhejiang Galaxis Technology Group Co., Ltd.

Terms of Reference of the Remuneration and Appraisal Committee

Chapter 1 General Provisions

Article 1 In order to further establish and improve the appraisal and remuneration management system for directors and senior management of Zhejiang Galaxis Technology Group Co., Ltd. (hereinafter referred to as the "Company"), and to improve the corporate governance structure, the Board hereby establishes the Remuneration and Appraisal Committee and formulates these Terms of Reference of the Remuneration and Appraisal Committee of the Board of Directors of Zhejiang Galaxis Technology Group Co., Ltd. (hereinafter referred to as these "Terms of Reference") in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules, the Articles of Association of Zhejiang Galaxis Technology Group Co., Ltd. (hereinafter referred to as the "Articles of Association"), and other relevant regulations.

Article 2 The Remuneration and Appraisal Committee of the Board (hereinafter referred to as the "Remuneration and Appraisal Committee") is a specialised working body established under the Board, primarily responsible for formulating the appraisal criteria for the Company's directors and senior management, conducting appraisals and making recommendations; and for studying, formulating, and reviewing the remuneration policies and plans for the Company's directors and senior management. The Remuneration and Appraisal Committee shall be accountable to the Board.

Chapter 2 Composition

Article 3 The Remuneration and Appraisal Committee shall comprise at least three directors, of whom independent non-executive directors shall constitute a majority, and the chairperson shall be an independent non-executive director.

Article 4 Members of the Remuneration and Appraisal Committee (hereinafter referred to as "Members") shall be nominated by the chairperson of the Board, more than one-half of the independent non-executive directors, or more than one-third of all directors, and shall be elected by the Board.

Article 5 The Remuneration and Appraisal Committee shall have one chairperson, who shall be an independent non-executive director, responsible for convening and presiding over meetings of the Remuneration and Appraisal Committee. The chairperson shall be elected from among the Members and shall be submitted to the Board for deliberation and approval.

Article 6 The term of office of Remuneration and Appraisal Committee Members shall be the same as that of the Board. Members may be re-elected upon the expiration of their term. During their term, if a Member ceases to serve as a director of the Company, or if a Member who is required to hold the status of an independent non-executive director no longer meets the independence requirements as prescribed by the Company Law, the Articles of Association, and the Hong Kong Listing Rules, such Member's qualification shall automatically lapse. A Member may submit a written resignation to the Board before the expiration of the term, and the resignation report shall contain a necessary explanation of the reasons for resignation and any matters requiring the Board's attention. Where the composition of the Remuneration and Appraisal Committee fails to meet the requirements of these Terms of Reference, the Board shall make an announcement in accordance with the requirements of the Hong Kong Listing Rules, and shall fill the vacancy within three months from the date of non-compliance in accordance with these Terms of Reference. The term of office of a replacement Member shall expire at the end of such Member's term as a director. Before the expiration of a Member's term, the Member shall not be removed from office without cause, unless circumstances arise under which the Member is disqualified from serving as prescribed by the Company Law, the Articles of Association, or the Hong Kong Listing Rules.

Chapter 3 Duties and Powers

Article 7 The principal duties and powers of the Remuneration and Appraisal Committee are as follows:

(1) To formulate remuneration plans or schemes based on the principal scope of management positions, responsibilities, and significance of the positions held by directors and senior management, as well as the remuneration levels of comparable positions at other relevant enterprises, and to make recommendations to the Board regarding the establishment of formal and transparent procedures for the formulation of remuneration policies and structures. Such remuneration plans or schemes shall include, but not be limited to, performance appraisal criteria, procedures, and key evaluation systems, as well as the principal schemes and systems for rewards and penalties;

(2) To review the discharge of duties by the Company's directors (excluding independent non-executive directors) and senior management, and to conduct annual performance appraisals thereof, prepare year-end bonus plans, and submit them to the Board for decision and implementation;

(3) To be responsible for supervising the implementation of the Company's remuneration system; to review and approve the remuneration proposals of management in light of the corporate policies and objectives set by the Board; and to ensure that no director or any of their associates is involved in determining their own remuneration;

(4) To recommend to the Board the remuneration packages for individual executive directors, non-executive directors, and senior management;

(5) To take into account the remuneration paid by comparable companies, the time commitment and responsibilities involved, and the employment conditions for other positions within the Group;

(6) To review and approve compensation payable to executive directors and senior management for loss of or termination of their office or appointment, to ensure that such compensation is consistent with the contractual terms and, where it is not, that it is fair and reasonable and not excessive;

(7) To review and approve the compensation arrangements relating to the dismissal or removal of a director for misconduct, to ensure that such arrangements are consistent with the contractual terms and, where they are not, that the compensation is reasonable and appropriate;

(8) To review the service contracts of directors;

(9) To review and/or approve matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules;

(10) Other matters authorised by the Board as prescribed by relevant laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Article 8 The remuneration plans for directors proposed by the Remuneration and Appraisal Committee shall, upon approval by the Board, be submitted to the general meeting of shareholders for approval before implementation. The remuneration allocation plans for senior management shall be submitted to the Board for approval before implementation. The Remuneration and Appraisal Committee shall be accountable to the Board, and proposals of the Remuneration and Appraisal Committee shall be submitted to the Board for deliberation. The relevant departments of the Company shall have an obligation to cooperate with the Remuneration and Appraisal Committee in carrying out its work and to provide relevant materials.

Article 9 Remuneration plans or schemes proposed by the Remuneration and Appraisal Committee shall not be detrimental to the interests of shareholders. The Board shall have the right to reject any remuneration plan or scheme that is detrimental to the interests of shareholders.

Chapter 4 Decision-Making Procedures

Article 10 The procedures for the Remuneration and Appraisal Committee's appraisal of directors and senior management are as follows:

(1) The Company's directors and senior management shall make work reports and self-assessments to the Remuneration and Appraisal Committee;

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

(3) Based on the results of the performance appraisals and the remuneration allocation policies, the Remuneration and Appraisal Committee shall propose the remuneration amounts and the manner of rewards for directors and senior management, and upon approval by vote, shall report to the Board.

Article 11 In order to discharge its duties, the Remuneration and Appraisal Committee shall have the right to require the relevant departments of the Company to provide the following materials:

(1) The Company's annual business plans, investment plans, key financial indicators, and status of achievement of operational targets;

(2) The Company's periodic reports and financial statements;

(3) The Company's management systems;

(4) The scope of work and principal responsibilities assigned by the general manager and other senior management;

(5) The status of achievement of indicators in the performance appraisal systems for the Company's directors, general manager, and other senior management;

(6) The business innovation capabilities, profit-generating capabilities, and operational performance of the Company's directors, general manager, and other senior management; and

(7) Relevant computational bases for the preparation of remuneration allocation plans and allocation methods based on the Company's performance.

Chapter 5 Rules of Procedure

Article 12 Meetings of the Remuneration and Appraisal Committee shall be convened at the request of the Board or upon the proposal of Remuneration and Appraisal Committee Members. At least one meeting shall be held each year, and written notice (including by email, text message, or other electronic means) shall be given to all Members three days prior to the meeting. The requirement for advance notice may be waived with the unanimous consent of all Members. Meetings shall be presided over by the chairperson. If the chairperson is unable to attend, the chairperson may delegate another Member (who shall be an independent non-executive director) to preside over the meeting. Ad hoc meetings of the Remuneration and Appraisal Committee may be convened when the chairperson of the Remuneration and Appraisal Committee considers it necessary, when more than half of the Members so propose, or at the suggestion of the chairperson of the Board.

Article 13 Meetings of the Remuneration and Appraisal Committee shall require the attendance of more than two-thirds of the Members before they may be held, and at least one Member present must be an independent non-executive director. A Member who is unable to attend may appoint another Member in writing to attend and vote on their behalf. The letter of proxy shall state the name of the proxy, the matters authorised, the scope of authorisation, and the period of validity, and shall be signed or sealed by the appointing Member and submitted to the chairperson of the meeting no later than the time of voting, provided that no Member may accept proxies from more than two Members simultaneously. A Member who is unable to attend in person may also exercise their rights by submitting written opinions on the matters to be discussed, provided that such written opinions shall be submitted to the Board office no later than before the meeting is convened. A Member who neither attends the Remuneration and Appraisal Committee meeting, nor appoints a representative to attend, nor submits written opinions before the meeting, shall be deemed to have waived their voting rights at that meeting.

Each Member shall have one vote. Votes shall be cast as "for", "against", or "abstain". In the event of a tie between votes for and against, the chairperson of the Remuneration and Appraisal Committee shall have a casting vote. Resolutions of the meeting must be approved by more than half of all Members, and such resolutions or opinions shall be signed by the Members present at the meeting.

Article 14 Voting at Remuneration and Appraisal Committee meetings shall be conducted by a show of hands or by poll. Meetings may be held in person or by way of written resolutions through telecommunications (non-in-person meetings).

Article 15 Where necessary, directors and senior management of the Company may be invited to attend Remuneration and Appraisal Committee meetings as non-voting participants. Non-voting participants may provide explanations or statements on matters discussed at the meeting, but non-Members shall have no voting rights.

Article 16 The Company shall provide the Remuneration and Appraisal Committee with sufficient resources to discharge its duties. Where necessary, the Remuneration and Appraisal Committee may engage intermediary institutions to provide professional advice for its decision-making, with the costs to be borne by the Company. The Company shall, in accordance with the relevant provisions of the Listing Rules, disclose in its annual report the directors' remuneration policy, details of senior management's remuneration by pay band, and other remuneration-related matters.

Article 17 The procedures for convening Remuneration and Appraisal Committee meetings, the manner of voting, and the resolutions passed at meetings shall comply with the relevant laws, regulations, the regulatory rules of the place where the Company's shares are listed, the Articles of Association, and these Terms of Reference.

Article 18 Minutes shall be kept of Remuneration and Appraisal Committee meetings, and the Members present shall sign the minutes. Members present shall have the right to request that explanatory notes be made in the minutes regarding their statements at the meeting. The minutes shall be kept by the company secretary of the Board for a period of not less than ten years.

Article 19 The minutes of Remuneration and Appraisal Committee meetings shall include at least the following:

(1) The date, venue, and name of the convener of the meeting;

(2) The names of the persons present, with special notation for those attending on behalf of another;

(3) The agenda of the meeting;

(4) Key points of Members' statements;

(5) The manner of voting and the result for each resolution or proposal (the results shall state the number of votes for, against, and abstaining);

(6) Other matters that should be noted and recorded in the minutes.

Article 20 Resolutions and voting results adopted at Remuneration and Appraisal Committee meetings shall be reported to the Board in writing.

Article 21 All Members present at the meeting shall have a duty of confidentiality with respect to the matters discussed at the meeting, and shall not disclose relevant information without authorisation, unless otherwise required by relevant laws, regulations, and/or regulatory authorities.

Chapter 6 Recusal System

Article 22 Where a Member of the Remuneration and Appraisal Committee, or their immediate family member, or any other enterprise controlled by such Member or their immediate family member, has a direct or indirect material interest in a matter under discussion at the meeting, such Member shall disclose the nature and extent of the interest to the Remuneration and Appraisal Committee as soon as practicable.

Article 23 Where the circumstances described in the preceding Article arise, the interested Member shall provide a detailed explanation of the relevant circumstances at the Remuneration and Appraisal Committee meeting and shall expressly declare their recusal from voting. However, if the other Members of the Remuneration and Appraisal Committee, after deliberation, unanimously determine that such interest would not have a significant impact on the matter to be voted on, the interested Member may participate in the vote.

Where the Board considers it inappropriate for the interested Member referred to in the preceding paragraph to participate in the vote, the Board may revoke the voting result of the relevant resolution and require the non-interested Members to vote again on the relevant resolution.

Article 24 Where the Remuneration and Appraisal Committee deliberates on and makes a resolution on a proposal without counting the interested Member toward the quorum, and the Remuneration and Appraisal Committee no longer meets the minimum quorum after the interested Member's recusal, all Members (including the interested Member) shall pass a resolution on procedural matters such as referring the proposal to the Board for deliberation, and the Board shall deliberate on such proposal.

Article 25 The minutes and resolutions of Remuneration and Appraisal Committee meetings shall state that the interested Member was not counted toward the quorum and did not participate in the vote.

Chapter 7 Supplementary Provisions

Article 26 As used in these Terms of Reference, the terms "above" and "within" are inclusive of the stated number; the term "more than half" is exclusive of the stated number.

Article 27 These Terms of Reference shall take effect upon approval by the Board and shall become effective on the date on which the H shares publicly issued by the Company commence trading on the Main Board of The Stock Exchange of Hong Kong Limited. From the effective date of these Terms of Reference, the Company's previous Terms of Reference of the Remuneration and Appraisal Committee shall automatically cease to have effect.

Article 28 Matters not covered by these Terms of Reference shall be governed by the relevant national laws, regulations, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association. In the event of any conflict between these Terms of Reference and any subsequently promulgated laws, regulations, regulatory rules of the place where the Company's shares are listed, or the Articles of Association as amended through lawful procedures, the relevant laws, regulations, 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 promptly amended.

Article 29 In the event of any discrepancy between the Chinese and English versions of these Terms of Reference, the Chinese version shall prevail.

Article 30 These Terms of Reference shall be formulated and interpreted by the Board.