BASIC REMUNERATION MANAGEMENT RULES OF GUOTAI HAITONG SECURITIES CO., LTD.

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to further improve the scientific and reasonable remuneration management and incentive and constraint mechanisms, promote the stable operation and sustainable and healthy development of Guotai Haitong Securities Co., Ltd. (hereinafter referred to as the "Company"), these rules are formulated in accordance with regulatory provisions and self-regulatory norms such as Rules for Governance of Securities Companies (《證券公司治理準則》), the Code of Corporate Governance for Listed Companies (《上市公司治理準則》), and the Guidelines for Securities Companies to Establish a Stable Remuneration System (《證券公司建立穩健薪酬制度指引》), as well as the national laws, regulations and normative documents relating to remuneration, and in light of the Company's actual conditions.

Article 2 The term "remuneration" as used in these rules refers to various monetary and non-monetary forms of economic compensation provided by the Company to its employees in return for their services and contributions.

Article 3 These rules apply to the headquarter departments, branches, and subsidiaries of the Company (hereinafter referred to as the "units") and all of its employees.

CHAPTER 2 PRINCIPLES AND OBJECTIVES OF REMUNERATION MANAGEMENT

Article 4 The Company shall establish sound business principles. It shall uphold the political and people-oriented nature of financial work, remain committed to serving national strategies and the real economy, and put into practice the development philosophy of "serving the country and the people through finance." In light of its business nature, the Company shall establish and improve a sound remuneration management system, and formulate incentive and constraint mechanisms that match the level, nature, and duration of risks, so as to ensure the effective implementation of comprehensive risk management and achieve stable operation.

Article 5 The Company shall promote the fulfillment of its functions. It shall properly balance functionality and profitability, leverage the positive guiding role of the remuneration management rules, ensure alignment with operating performance, business nature, contribution level, compliance and risk control, and social culture, thereby enhancing its ability to serve the real economy, implement national strategies, and manage household wealth.

Article 6 The Company shall ensure compliance with bottom-line requirements. It shall continuously improve its corporate governance, clarify responsibilities at all levels, strengthen oversight mechanisms, ensure the effective implementation of the remuneration management rules, and guarantee the effective alignment between incentive and constraint mechanisms and compliance management, so as to avoid compliance risks arising from excessive or short-term incentives.

Article 7 The Company shall be guided by industry culture. It shall integrate the cultural concepts of finance with Chinese characteristics into its remuneration management, guide its employees to cherish their professional reputation, uphold professional ethics, maintain integrity in practice, and fulfill social responsibilities. Relying on financial talents with both virtue and ability to create value for the Company and society, the Company shall promote the high-quality development of both itself and the industry.

Article 8 The Company shall adhere to market-oriented principles. It shall benchmark its performance and remuneration against market levels, rationalize its internal distribution structure, adjust excessively high remuneration, and establish a long-term, comprehensive incentive mechanism that features the coexistence of material and spiritual incentives, the integration of performance orientation and value proposition, the coordination of short-term and long-term incentives, and the balance between powerful incentives and strict constraints.

CHAPTER 3 REMUNERATION STRATEGY AND CONTROL

Article 9 The Company shall ensure that its overall remuneration positioning aligns with its development strategy and operating conditions, and shall establish a market-oriented remuneration incentive mechanism driven by comprehensive value creation. Each unit shall adopt a relatively unified remuneration system, principles, and structure, with differentiated remuneration strategies by category in order to accommodate varying business circumstances.

Article 10 The Company shall exercise total compensation control based on its operating results, and over total payroll based on the compensation-efficiency linkage mechanism. Taking into account factors such as its actual operating conditions, compliance and risk control effectiveness, development strategy, and long-term interests of shareholders, the Company shall enhance the budget and final settlement management of total remuneration, and determine reasonable remuneration standards and levels for its employees at different ranks and positions in light of market conditions.

Article 11 The Company shall establish and improve a penetrating remuneration management mechanism over each unit, operating a supervision model that combines comprehensive oversight at the group level with tiered supervision at the unit level.

CHAPTER 4 BASIC MANAGEMENT NORMS

Article 12 The Company actively optimizes its internal income distribution structure and scientifically designs its remuneration system. In principle, employee remuneration consists of four components: basic salary, performance-based remuneration, benefits and allowances, and medium-term and long-term incentives.

Article 13 The Company moderately smooths the remuneration payment arrangements by fully taking into account the impact of market cyclical fluctuations as well as the development trends of the industry and the Company's business, and the control of extreme remuneration levels for, and the reasonable distribution of remuneration incentives shall be maintained in accordance with the requirements of the state and relevant competent authorities.

Article 14 The Company improves its performance appraisal system by taking into comprehensive consideration various factors such as business development strategies, the risk attributes and characteristics of its businesses and positions, as well as social and professional responsibilities. A one-vote veto is adopted for material compliance and risk control events in the appraisal to enhance the effects of positive guidance and incentive and reverse punishment restraints.

Article 15 The Company maintains a long-term appraisal for the senior management, heads of business units, heads of branches and core business personnel (hereinafter collectively referred to as the "personnel in key positions") based on their job responsibilities, and their performance appraisal indicators shall include long-term indicators with a term of three years or more.

Article 16 The performance appraisal indicators for main business units and personnel in key positions of the Company shall include, among others, economic benefit indicators, compliance and risk control indicators, and social responsibility indicators. Among these, the economic benefit indicators shall reflect the functional appraisal of the relevant business lines; the compliance and risk control indicators shall reflect professional integrity, compliance quality and efficiency, and risk management, etc.; the social responsibility indicators shall reflect the professional ethics and cultural development relating to the duties and responsibilities of the departments or positions, as well as investor protection, serving rural revitalization, and participating in social public welfare, etc.

Article 17 The Company reasonably determines performance-based remuneration by taking into comprehensive consideration various factors such as market conditions, results of operations, risk exposure, and remuneration strategies. Performance-based remuneration is strongly linked to appraisal results, shall be completely variable and fully reflect the principles of performance orientation, fairness and reasonableness, and extreme values control, to achieve more pay for more work, appropriate differentiation, and be subject to upward or downward adjustments.

Article 18 The Company ensures the effective implementation of comprehensive risk management and compliance management, does not solely pursue market rankings, scale – related indicators and short-term performance, does not conduct business through business contracting, personnel affiliation and other methods, does not offer excessive incentives through direct proportional profit-sharing and other standalone appraisal methods, does not directly link the remuneration of employees to the revenue of the projects they undertake, and does not provide hedging measures for employees to reduce the correlation between remuneration and risks.

Article 19 The Company implements a deferred payment mechanism for performance – based remuneration, and incorporates personnel at positions that have a direct or material impact on risks into the scope of deferred payment. In principle, the deferred payment ratio shall not be less than 40% of the performance award for the vesting year, and the deferred payment period shall be three years, payable in equal proportions from year T+2 to year T+4. The deferred payment shall be implemented for the senior management of the Company in accordance with relevant measures and the applicable provisions of the competent authorities at a higher level. Where the state and relevant authorities have other provisions on deferred payment, such provisions shall prevail.

Article 20 The Company implements a remuneration payment termination, recourse and clawback mechanism where the senior management and relevant responsible personnel who violate laws and regulations or cause the Company to be subject to excessive risk exposures shall be held accountable for internal economic liabilities by reducing or terminating the payment of the outstanding portion of their remuneration, requiring them to return all or a certain proportion of the performance-based remuneration in respect of the year in which such conduct occurs, and reducing or terminating the implementation of their medium-term and long-term incentives, etc.

Where any personnel fails to perform their duties diligently within the scope of their responsibilities, engages in fraud or falsification, commits any violation of disciplines, laws or regulations, or causes the Company to be subject to excessive risk exposures, the Company shall, after performing corresponding decision-making procedures in accordance with laws and regulations, recourse and clawback part or all of the performance-based remuneration that has been paid for the corresponding period, and terminate the payment of part or all of the outstanding remuneration. In principle, the remuneration recovery period shall be consistent with the period when the conduct of relevant responsible person is committed. The provisions on the recourse and clawback of remuneration shall be applicable to the responsible personnel who have resigned or retired, and such personnel shall cooperate accordingly.

Article 21 The Company shall, in full consideration of the guidance of national policies, the impact of cyclical fluctuations in the market and the development trends of the industry and the Company's business, regularly assess and make timely adjustments to the remuneration strategies, policies and standards, and conduct dynamic adjustment management on the Company's remuneration. The overall compensation adjustment should be tilted towards value creation, key and core high-performance positions, positions where talents are in short supply, and the frontline and grassroots levels of the business.

CHAPTER 5 REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Article 22 The remuneration plan for the directors and senior management of the Company shall be formulated by the remuneration appraisal and nomination committee of the board of directors, and their total remuneration and specific composition shall be determined comprehensively based on factors such as overall operating performance and individual performance assessment results. The remuneration plan for directors shall be decided by the general meeting, and the remuneration plan for senior management shall be approved by the board of directors.

Article 23 The executive directors of the Company are remunerated based on their positions as senior management of the Company. Employee directors are remunerated according to their positions in the Company. They will not receive additional directors' remuneration, allowances or conference fees from the Company for performing their duties as directors. Other directors shall act according to proposals considered and approved by the general meeting.

Article 24 The remuneration of the Company's directors and senior management consists of basic remuneration, performance-based remuneration, and medium-term and long-term incentive income. Among them, the performance-based remuneration shall, in principle, account for no less than 50% of the total of basic remuneration and performance-based remuneration.

Article 25 The remuneration of the Company's directors and senior management of the Company shall match with the Company's operating result and their individual performance, and coordinated with the Company's sustainable development. In particular, the determination and payment of performance-based remuneration and medium-term and long-term incentive income shall be primarily based on performance evaluation.

Article 26 The performance evaluation of directors and senior management shall be organized by the remuneration appraisal and nomination committee of the board of directors. The Company may entrust a third party to conduct the performance evaluation. The duty performance appraisal of independent directors shall be conducted through self-evaluation, peer evaluation, and other methods.

Article 27 The board of directors shall report to the general meeting on the performance of duties by directors, results of performance evaluation and their remuneration, and the Company shall disclose such information.

CHAPTER 6 ORGANIZATION AND IMPLEMENTATION OF REMUNERATION MANAGEMENT

Article 28 The board of directors shall assume the primary responsibility for the remuneration management of the Company, authorize the management team to manage the remuneration and be responsible for ensuring the effective implementation of the rules. The board of directors shall review and approve the basic rules of remuneration management, budget and final accounts of total remuneration, the performance appraisal results and remuneration of senior management, among others. The Company shall continuously improve the supervision mechanism for the implementation of the remuneration rules, and shall cooperate with the remuneration appraisal and nomination committee under the board of directors or other committees authorized by the board of directors to ensure the effective implementation of various remuneration rules.

Article 29 The Company shall disclose the philosophy, guidelines, principles and objectives of remuneration management in its annual reports and other public channels as required, and disclose remuneration-related information in accordance with laws and regulations and relevant requirements of the China Securities Regulatory Commission and the stock exchanges.

Article 30 The Company shall incorporate remuneration management into its reputation risk management system to strengthen the management of remuneration-related reputation risk. Any violations of laws or regulations by relevant personnel shall be recorded in the professional reputation information database of the Securities Association of China as required.

Article 31 The Company shall strengthen its cultural development and employee education, and explicitly inform employees of the relevant laws and regulations on remuneration management, professional ethics, the Company's rules and regulations and labor discipline and other requirements, guiding employees to develop correct values and understand the potential impact of risk factor adjustments and misconduct on their remuneration.

CHAPTER 7 SUPPLEMENTARY PROVISIONS

Article 32 For matters not covered in these rules, or in case of any inconsistency with relevant laws, regulations and other relevant provisions, the latter shall prevail.

Article 33 These rules shall serve as the basic framework for the Company's remuneration management. The Company and each unit shall formulate corresponding remuneration management measures or detailed rules based on these rules.

Article 34 These rules are drafted by the board of directors and shall take effect and be implemented after being reviewed and approved by the general meeting. The remuneration appraisal and nomination committee of the board of directors shall be responsible for its interpretation.