

**Anker Innovations Technology Co., Ltd.**

**Terms of Reference of the Remuneration and Appraisal Committee**

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**CHAPTER 1 GENERAL PROVISIONS**

- Article 1** To strengthen the decision-making function of the Board of Directors of Anker Innovations Technology Co., Ltd. (hereinafter referred to as “the Company”), enhance the effective supervision by the Company’s Board of Directors over the management, and improve the corporate governance structure, the Company has established a Remuneration and Appraisal Committee (hereinafter referred to as “the Committee”) under the Board of Directors (the Board) with 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 Code of Corporate Governance for Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), Appendix C1 to the Hong Kong Listing Rules (hereinafter referred to as the “Corporate Governance Code”), the Articles of Association of Anker Innovations Technology Co., Ltd. (hereinafter referred to as the “Articles of Association”), and other relevant laws, administrative regulations, and regulatory documents.
- Article 2** The Remuneration and Appraisal Committee is a special working body of the Board of Directors established by the Board pursuant to a resolution of the shareholders’ meeting. It is primarily responsible for reviewing and supervising the implementation of remuneration systems and performance appraisal systems that provide effective incentives and constraints, making recommendations to the Board regarding the remuneration systems, performance appraisal systems and incentive schemes for the Company’s directors and senior management members, and evaluating the performance and conduct of the directors and senior management members.
- Article 3** These Terms of Reference shall apply to the Committee and the relevant personnel and departments mentioned herein.

**CHAPTER 2 COMPOSITION**

- Article 4** The Remuneration and Appraisal Committee shall be composed of at least three directors, of whom independent directors (also referred to as “independent non-executive directors”, hereinafter the same) shall constitute a majority.
- Article 5** The chairperson (convener) and members of the Remuneration and Appraisal Committee shall be appointed and removed by the Board in accordance with the procedures prescribed by laws, regulations, and the Articles of Association.
- Article 6** The Remuneration and Appraisal Committee shall have one chairperson, who shall be elected by the Board from the independent director committee members and shall be responsible for presiding over the work of the Remuneration and Appraisal Committee.

**Article 7** The term of office of the members of the Remuneration and Appraisal Committee shall be the same as that of the directors. A member of the Committee may serve consecutive terms if re-elected upon the expiry of his/her term of office. Where, during the term of office, a member of the Committee ceases to hold the position as a director of the Company, such member shall automatically lose the membership of the Committee. A member of the Committee may tender a resignation to the Board before the expiration of his/her term of office, and the resignation report shall contain a necessary explanation of the reasons for resignation and any matters that require the attention of the Board. Upon proposal by the chairman of the Board and discussion and approval by the Board, adjustments may be made to the members of the Committee during their terms of office. If the Company fails at any time to comply with any requirement of the Hong Kong Listing Rules relating to the Remuneration and Appraisal Committee, it shall promptly publish an announcement setting out the relevant details and reasons, and the Board shall, in accordance with these Terms of Reference, use its reasonable endeavors to fill the committee membership as soon as practicable (and in any event within three months of such non-compliance), and the appointed member shall serve until the expiration of his/her term as a director.

### **CHAPTER 3 DUTIES AND AUTHORITIES**

**Article 8** The main duties and authorities of the Remuneration and Appraisal Committee include:

- (I) to make recommendations to the Board regarding the remuneration policies and structures for the Company's directors and senior management members, and on the establishment of formal and transparent procedures for formulating remuneration policies;
- (II) to review and approve the management's remuneration proposals in light of the corporate policies and objectives set by the Board;
- (III) to be authorized to determine the specific remuneration packages of individual executive directors and senior management member, or to make recommendations to the Board regarding their remuneration packages;
- (IV) to make recommendations to the Board regarding the remuneration of non-executive directors;
- (V) to consider factors such as the remuneration paid by comparable companies, the time commitment and responsibilities required of directors and senior management members, and the terms of employment of other positions within the Company;
- (VI) to review and approve compensation payable to executive directors and senior management members in connection with the loss or termination of their office or appointment, to ensure that such compensation is consistent with the contractual terms; or, if not consistent with the contractual terms, that the compensation is fair and not excessive;
- (VII) to assess the performance of executive directors and approve the terms of their service contracts;
- (VIII) to review and approve compensation arrangements relating to the dismissal or

removal of directors due to misconduct, to ensure that such arrangements are consistent with the contractual terms; or, if not consistent with the contractual terms, that the compensation is reasonable and appropriate;

- (IX) to ensure that no director or any of his/her associates participates in determining his/her own remuneration;
- (X) to make recommendations to the Board regarding the formulation or amendment of equity incentive plans and employee share ownership plans, and the granting of rights to incentive recipients and the satisfaction of conditions for exercising rights; and to review and/or approve matters relating to share option schemes or share incentive schemes as described in Chapter 17 of the Hong Kong Listing Rules;
- (XI) to make recommendations to the Board regarding the arrangement for directors and senior management members to hold shares in a proposed spin-off subsidiary;
- (XII) to report its decisions or recommendations to the Board, unless precluded from doing so by legal or regulatory restrictions;
- (XIII) other matters as stipulated by laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

If the Board does not adopt or does not fully adopt the recommendations of the Remuneration and Appraisal Committee, it shall record in the Board resolution the opinions of the Remuneration and Appraisal Committee and the specific reasons for not adopting them, and shall make disclosure accordingly.

**Article 9** The main duties and authorities of the chairperson of the Remuneration and Appraisal Committee include:

- (I) to convene and preside over meetings of the Committee, and to sign and issue meeting resolutions;
- (II) to propose the convening of meetings;
- (III) to lead the Committee and ensure its effective operation and performance of its duties;
- (IV) to ensure that the Committee reaches a clear and definitive conclusion on each matter discussed, with such conclusion including: approval, rejection, or referral back for further deliberation with additional materials;
- (V) to determine the agenda for each meeting of the Committee;
- (VI) to ensure that all members of the Committee understand the matters discussed at the meeting of the Committee, and to ensure that each member receives complete and reliable information.

**Article 10** The main duties and authorities of the members of the Committee include:

- (I) to attend meetings of the Committee on time, express opinions on matters discussed at the meetings, and exercise corresponding voting rights;
- (II) to propose agenda items for discussion at the meetings of the Committee;
- (III) to attend relevant meetings of the Company as non-voting participants or visitors, conduct surveys and researches and obtain relevant information such as necessary reports, documents and materials for the purpose of discharging their duties;
- (IV) to fully understand the duties of the Committee and their own duties as members of the Committee, and to familiarize themselves with the Company's management and operational status, business activities, and developments relevant to their duties, so as to ensure their ability to perform their duties;
- (V) to fully devote sufficient working time and energy to the performance of their duties.

**Article 11** The Remuneration and Appraisal Committee shall be accountable to the Board; its proposals shall be submitted to the Board for consideration and decision. The Committee shall provide all research and discussion details, materials and information to the Board in the form of reports, recommendations and summaries, for the Board's study and decision-making.

#### **CHAPTER 4 RULES OF PROCEDURE**

**Article 12** A meeting of the Remuneration and Appraisal Committee shall be convened when: (1) the Board deems it necessary; (2) the chairperson of the Committee deems it necessary; or (3) two or more members of the Committee so propose.

The Board Office of the Company shall notify all members of the Committee three days prior to the holding of a meeting. The aforementioned notice period may be waived with the unanimous consent of all members. Notice of a meeting shall be deemed to have been served to any member of the Committee who has attended the meeting and has not raised an objection regarding the non-receipt of the meeting notice either prior to or at the time of arriving at the meeting.

Meetings of the Remuneration and Appraisal Committee shall be presided over by its chairperson. Where the chairperson is unable to attend the meeting, he/she may authorize another member to preside over the meeting on his/her behalf.

**Article 13** The meeting notice shall include: the venue and time of the meeting, the duration of the meeting, the agenda and matters to be discussed, and the date of issuance of the notice. The meeting notice may be given by personal delivery, fax, email, or registered mail.

**Article 14** Meetings may be held in the form of physical meetings or communication meetings. Communication meetings include telephone conferences, video conferences, and meetings by way of written resolutions.

**Article 15** A meeting of the Remuneration and Appraisal Committee shall be held only if a majority of the members (including members who have appointed another member in writing to attend the meeting on their behalf) are present. Each member shall have one vote. A resolution of the meeting must be passed by a majority of all members.

**Article 16** The voting at a meeting of the Remuneration and Appraisal Committee shall be conducted by a show of hands or by such other voting method as determined by the chairperson.

**Article 17** When necessary, the Remuneration and Appraisal Committee may invite the Company's directors and relevant senior management members to attend its meetings as non-voting participants. Such persons being invited shall provide explanations and clarifications as requested by the members of the Committee. The Company's directors who are not members of the Committee shall have the right to attend meetings of the Committee as non-voting participants.

**Article 18** When the Remuneration and Appraisal Committee performs its duties, the relevant departments of the Company shall provide cooperation and adequate resources. If necessary, the Remuneration and Appraisal Committee may engage intermediaries to provide professional opinions for its decision-making. The reasonable expenses incurred thereby shall be borne by the Company.

**Article 19** The convening procedures and voting methods of, and resolutions adopted at the meetings of the Remuneration and Appraisal Committee must comply with relevant laws, regulations, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association, and these Terms of Reference.

**Article 20** Minutes shall be kept for meetings of the Remuneration and Appraisal Committee. The minutes shall be prepared by the Board Office and shall include the following:

- (I) the convening method, date, venue and name of the presider of the meeting;
- (II) the attendance in person and by proxy as well as absences;
- (III) the topics of the meeting;
- (IV) the deliberation and voting results of the meeting;
- (V) the name of the person who took the meeting minutes.

The minutes of meetings of the Committee should record in sufficient detail the matters considered and decisions reached at the meeting, including any concerns or dissenting views expressed by the directors. The members attending the meeting and the secretary to the Board attending the meeting as a non-voting participant shall sign the minutes of the Committee meeting. The meeting minutes shall be kept by the secretary to the Board in accordance with the Company's archives management policies. The draft and final versions of the minutes shall be sent to all Committee members within a reasonable period of time after the meeting, with the draft provided for members to express their views and the final version for their records. Directors of the Company may inspect the minutes of meetings at any reasonable time upon giving reasonable notice, and the minutes shall be kept for a period of not less than ten years.

- Article 21** Resolutions passed by, and the voting results of, a meeting of the Remuneration and Appraisal Committee shall be reported in writing to the Board.
- Article 22** If a member of the Committee is interested in any matter being considered by the Committee, such member shall abstain from the discussion and voting of such matter.
- Article 23** All persons present at the meeting shall keep confidential all matters considered at the meeting and shall not disclose any of the relevant information without authorization.
- Article 24** All members of the Committee shall attend meetings in person. In the event that a member is unable to attend a meeting in person for any reason, the said member may submit a power of attorney signed by him/her, authorizing another member to attend the meeting and express opinions on his/her behalf. The power of attorney shall specify the scope and duration of authorization.
- Article 25** Any member attending the meeting on behalf of another member shall exercise the rights within the scope of authorization. If a member does not attend a meeting of the Committee in person or authorize another member to exercise the rights on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting, he/she shall be deemed to have waived his/her rights.
- Article 26** A member who is unable to attend a meeting in person may also exercise his/her rights by submitting in writing his/her opinions with respect to any matter to be considered, provided that such written opinions shall be submitted to the Board Office no later than the convening of the meeting.

## **CHAPTER 5 COORDINATION AND COMMUNICATION**

- Article 27** If, when the Board is not in session, the Remuneration and Appraisal Committee has any material or special matters that need to be submitted to the Board for consideration, it may submit a written report to the Board through the secretary to the Board, and may recommend that the chairman of the Board convene a Board meeting for discussion.
- Article 28** Any written reports submitted by senior management members to the Remuneration and Appraisal Committee shall be signed and issued by the general manager or the senior management member responsible for the relevant matter, and submitted to the Remuneration and Appraisal Committee through the secretary to the Board or the Board Office.
- Article 29** Any written report submitted by the Remuneration and Appraisal Committee to the Board shall be signed and issued by the chairperson of the Committee or a member authorized by the chairperson, and submitted to the Board through the secretary to the Board.
- Article 30** If, when the Remuneration and Appraisal Committee is not in session, senior management members of the Company have any material or special matters, they may submit a written report to the Remuneration and Appraisal Committee through the secretary to the Board or the Board Office, and may recommend that the chairperson of the Remuneration and Appraisal Committee convene a meeting for discussion.
- Article 31** The Remuneration and Appraisal Committee shall, through its chairperson or a member authorized by the chairperson, report to the Board on its work since the last regular Board meeting, or provide a special report on a particular matter.

## **CHAPTER 6 EXECUTIVE BODY OF THE COMMITTEE**

**Article 32** The secretary to the Board shall be responsible for organizing and coordinating the work between the Committee and the relevant departments; the secretary to the Board shall attend Committee meetings as a non-voting participant.

**Article 33** The Board Office of the Company and the relevant departments of the Company shall cooperate with each other to jointly carry out the work relating to the Committee.

**Article 34** The Board Office shall be responsible for meeting administrative work including the preparation and issuance of meeting notices.

The relevant functional departments of the Company shall be responsible for preparing and providing the relevant information required for the matters to be considered at the meeting, and liaising with the relevant departments.

The relevant functional departments of the Company have the duty to provide working services to the Committee and to provide support and cooperation to the Board Office in its work.

## **CHAPTER 7 SUPPLEMENTARY PROVISIONS**

**Article 35** These Terms of Reference shall, upon deliberation and approval by the Board, take effect and be implemented from the date on which the H Shares issued by the Company are listed and traded on The Stock Exchange of Hong Kong Limited.

**Article 36** Matters not covered herein shall be implemented in accordance with the relevant national laws, regulations and regulatory documents, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association. In case that these Terms of Reference are in conflict with the national laws, regulations and regulatory documents, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, the relevant national laws, regulations and regulatory documents, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association shall prevail.

**Article 37** For the purpose of these Terms of Reference, references to "above" and "within" shall include the given figures, while references to "over", "short of", "other than", "less than" and "more than" shall exclude the given figures.

**Article 38** The meaning of the "independent director" mentioned in these Terms of Reference shall include the meaning of "independent non-executive director" under the Hong Kong Listing Rules.

**Article 39** These Terms of Reference shall be subject to the interpretation of the Board.