

Guangdong Dtech Technology Co., Ltd.

Terms of Reference for the Remuneration and Appraisal Committee

CHAPTER I GENERAL PROVISIONS

Article 1 For the purposes of strengthening the assessment of the directors and senior management of Guangdong Dtech Technology Co., Ltd. (hereinafter referred to as the “Company”), establishing incentive and restraint mechanisms for the directors and senior management of the Company, and improving corporate governance, these Terms of Reference are formulated in accordance with the Company Law of the People’s Republic of China, the Administrative Measures for Independent Directors of Listed Companies, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Shares on the ChiNext Market of the Shenzhen Stock Exchange, the Self-Regulatory Guidelines for Listed Companies on the Shenzhen Stock Exchange No. 2 — Standardized Operation of ChiNext Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws, regulations, and normative documents, as well as the Articles of Association of Guangdong Dtech Technology Co., Ltd. (hereinafter referred to as the “Articles of Association”).

Article 2 The Remuneration and Appraisal Committee is a specialized working body established by the board of directors in accordance with resolutions of the shareholders’ meeting, and is primarily responsible for formulating the remuneration policies, remuneration schemes, and remuneration appraisal work for the directors and senior management of the Company.

Article 3 For the purpose of these Terms of Reference, remuneration refers to the compensation paid by the Company in monetary form to the directors and senior management of the Company, including annual salaries, bonuses, allowances and other fringe benefits.

Article 4 For the purposes of these Terms of Reference, directors to whom the remuneration applies refer to directors who receive remuneration from the Company; senior management refers to the general manager, deputy general managers, financial controller, secretary to the board of directors of the Company and other personnel as prescribed in the Articles of Association.

Article 5 A working group shall be established under the Remuneration and Appraisal Committee. The leader and members of the working group shall be determined separately based on the proposals of the board of directors. The human resources department of the Company shall assist the Remuneration and Appraisal Committee in its work.

CHAPTER II COMPOSITION

Article 6 The Remuneration and Appraisal Committee shall comprise three directors, over half of whom shall be independent directors.

Article 7 Members of the Remuneration and Appraisal Committee shall be nominated by the chairman of the board of directors, more than one-half of the independent directors or more than one-third of all directors, and elected by the board of directors.

Article 8 The Remuneration and Appraisal Committee shall have a chairman (convener), who shall be an independent director and be responsible for presiding over the work of the Committee; the chairman shall be elected from among the members and the appointment shall be subject to the approval of the board of directors.

Article 9 The term of office of the Remuneration and Appraisal Committee shall be consistent with the term of office of the board of directors of the same session, and members may serve consecutive terms if re-elected. If during the term, any member ceases to serve as a director of the Company, he or she shall automatically lose his or her membership, and the Committee shall fill the vacancy in accordance with Articles 6 to 8 above.

CHAPTER III RESPONSIBILITIES

Article 10 The Remuneration and Appraisal Committee shall be responsible for formulating the assessment criteria for directors and senior management and conducting assessments, formulating and reviewing the remuneration policies and schemes for directors and senior management, and making recommendations to the board of directors on the following matters:

- (I) to make recommendations to the board of directors on the Company's remuneration policy and structure for all directors and senior management, including but not limited to the establishment of formal and transparent procedures the formulation of its remuneration policy and structure;
- (II) to review and approve the management's remuneration proposals with reference to the corporate goals and objectives set by the board of directors;
- (III) either:
 - (i) to have delegated responsibility from the board to determine the remuneration packages of individual executive directors and senior management; or
 - (ii) to make recommendations to the board of directors on the remuneration packages of individual executive directors and senior management. This shall include benefits in kind, pension rights and compensation payments, including any compensation for loss or termination of office or appointment;
- (IV) to make recommendations to the board of directors on the remuneration of non-executive directors;
- (V) to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group;

- (VI) 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 and is otherwise fair and not excessive;
- (VII) to review and approve compensation arrangements involved in the dismissal or removal of relevant directors for misconduct, to ensure that such arrangements are consistent with the contractual terms; if they are not consistent with the contractual terms, the relevant compensation shall also be reasonable and appropriate; and to ensure that no director or any of his associates is involved in deciding his own remuneration;
- (VIII) to formulate or change equity incentive plans or employee stock ownership plans, where the conditions for the grant of interests to, and exercise of interests by, incentive participants are satisfied, and to review and/or approve matters relating to share schemes as described in Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
- (IX) shareholding plans for directors and senior management in subsidiaries to be spun off;
- (X) other matters stipulated by laws, administrative regulations, the requirements of the China Securities Regulatory Commission, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association;
- (XI) other matters stipulated by laws, administrative regulations, the requirements of the China Securities Regulatory Commission, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Where the board of directors fails to adopt or fully adopt the recommendations of the Remuneration and Appraisal Committee, it shall record the opinions of the Remuneration and Appraisal Committee and the specific reasons for non-adoption in the resolutions of the board of directors, and make disclosures.

Article 11 The Remuneration and Appraisal Committee is accountable to the board of directors, and its proposals shall be submitted to the board of directors for examination and decision.

Article 12 The remuneration plan for directors proposed by the Remuneration and Appraisal Committee shall be subject to approval by the board of directors and then submitted to the shareholders' meeting for adoption before implementation; the remuneration distribution scheme for senior management of the Company shall be implemented after being reported to and approved by the board of directors.

CHAPTER IV WORKING PROCEDURES

Article 13 When formulating the remuneration policy of the Company, the Remuneration and Appraisal Committee shall fully consider the provisions of relevant national laws, regulations and normative documents, the characteristics of the industry in which the Company operates, the economic development status of the region where the Company is located and the business development status of the Company.

Article 14 The remuneration plans of the Company formulated by the Remuneration and Appraisal Committee shall include, but not be limited to, performance evaluation standards, appraisal methods, appraisal procedures, and the primary evaluation system, and shall reflect the principles of clearly distinguishing between rewards and penalties and balancing incentives with constraints.

Article 15 The appraisal procedures of the Remuneration and Appraisal Committee for directors and senior management are as follows:

- (I) Directors and senior management of the Company shall make a report on their work and conduct a self-assessment to the Remuneration and Appraisal Committee of the board of directors;
- (II) The Remuneration and Appraisal Committee shall assess the performance of directors and senior management in accordance with the performance assessment criteria and procedures;
- (III) Based on the position performance assessment results and remuneration distribution policy, to propose the amount of remuneration and method of award for the directors and senior management, and upon passing by vote, to report the same to the board of directors of the Company.

Article 16 Relevant departments of the Company shall be responsible for providing relevant documents, materials, and information in accordance with the requirements of the Remuneration and Appraisal Committee.

Article 17 The Remuneration and Appraisal Committee may, where it deems necessary, engage intermediary institutions to provide professional consultancy services, and the expenses so incurred shall be borne by the Company.

CHAPTER V RULES OF PROCEDURE

Article 18 Meetings of the Remuneration and Appraisal Committee shall be presided over by the chairman.

Article 19 The Remuneration and Appraisal Committee shall convene meetings as necessary, but at least one meeting shall be held annually. Extraordinary meetings shall be convened upon proposal by the Remuneration and Appraisal Committee. Notice of a meeting shall be delivered to all members three days before the meeting is held, provided that the aforementioned notice period may be waived

under particularly urgent circumstances. Meetings of the Remuneration and Appraisal Committee shall be presided over by the chairman. Where the chairman is unable to attend, he/she may delegate another independent director member to chair the meeting.

Article 20 A meeting of the Remuneration and Appraisal Committee shall be held only if more than two-thirds of the members are present; each member shall have one vote; and resolutions made at the meeting must be passed by a majority of all members. When the Remuneration and Appraisal Committee discusses an issue concerning a member of the Committee, such member shall recuse himself/herself.

Article 21 When the Remuneration and Appraisal Committee convenes a meeting, it may invite the chairman of the Company, non-member directors, the secretary to the board of directors, relevant senior management personnel and heads of departments, as well as professional consultants and legal advisers to attend the meeting as non-voting observers.

Article 22 When the Remuneration and Appraisal Committee convenes a meeting, it shall have the right to require the directors and senior management of the Company to attend the meeting to report on their work or be interviewed, and such persons shall not refuse to do so.

Article 23 The Remuneration and Assessment Committee shall vote by a show of hands or by poll; extraordinary meetings may be convened and held by way of voting by correspondence. Each member shall have one vote.

Votes at the Remuneration and Appraisal Committee may be cast as “for”, “against” or “abstain”.

Article 24 Minutes shall be prepared for the meetings of the Remuneration and Appraisal Committee, and the members attending the meeting shall sign the minutes. The Remuneration and Appraisal Committee may prepare a summary of its meetings, and such summary shall be submitted to the board of directors.

Article 25 The minutes and meeting summaries of the Remuneration and Appraisal Committee are confidential documents of the Company. Meeting summaries shall be collected in a timely manner after review. Minutes shall be kept by the secretary to the board of directors of the Company for a period of not less than ten years.

Article 26 All persons present at the meeting are obliged to keep all the items discussed in the meeting confidential and shall not disclose any relevant information without permission.

CHAPTER VI SUPPLEMENTARY PROVISIONS

Article 27 These Terms of Reference shall be considered and approved by the board of directors of the Company and shall come into effect on the date on which the H shares issued by the Company are listed on The Stock Exchange of Hong Kong Limited.

Article 28 Unless otherwise specified, terms used in these Terms of Reference shall have the same meanings as those defined in the Articles of Association. In these Terms of Reference, “independent directors” include “independent non-executive directors” as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Article 29 Any matters not covered by these Terms of Reference shall be handled in accordance with the provisions of relevant national laws, regulations, the securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association. In the event that these Terms of Reference conflict with any laws, regulations, or securities regulatory rules of the place where the Company’s shares are listed subsequently promulgated, or with the Articles of Association as amended through due legal process, the provisions of the relevant national laws, regulations, securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association shall prevail.

Article 30 The board of directors reserves the right to interpret these Terms of Reference.