

Ganfeng Lithium Group Co., Ltd.
Terms of Reference of the Remuneration and Assessment Committee
of the Board of Directors

Chapter 1 General Provisions

- Article 1 In order to optimize the composition of the Board, regulate the cultivation of leaders of the Company, establish a sound appraisal and remuneration management system for Directors (including independent non-executive Directors) and senior management of the Company and improve the corporate governance structure, the Company has specifically established the Remuneration and Assessment Committee of the Board and formulated these Terms of Reference in accordance with the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), the Articles of Association of Ganfeng Lithium Group Co., Ltd. (the “**Articles of Association**”) and other relevant provisions.
- Article 2 The Remuneration and Assessment Committee is a specialized body under the Board, which is mainly responsible for formulating assessment standards for the Company's directors and senior management, and conducting assessment, review of the remuneration decision mechanism, decision-making process, payment and suspension of payment and recovery arrangements for directors and senior management personnel, and other remuneration policies and plans, and is accountable to the Board.
- Article 3 The scope of remuneration and appraisal referred to in these Terms of Reference shall be the Chairman, vice-Chairman, Directors, the President, vice-President and secretary to the Board appointed by the Board and other senior management determined by the Board as proposed by the President who are remunerated by the Company.

Chapter 2 Composition

- Article 4 The Remuneration and Assessment Committee shall consist of three Directors, of which the number of independent non-executive Directors shall not be less than two.
- Article 5 Members of the Remuneration and Assessment Committee shall be nominated by the Chairman, more than one-half of independent non-executive Directors or one-third of all Directors, and shall be elected by the Board.
- Article 6 The Remuneration and Assessment Committee shall have one chairman (the convener) who is an independent non-executive Director and responsible for presiding meetings of the committee. The chairman shall be elected by more than one-half of all members.
- Article 7 The terms of office of the Remuneration and Assessment Committee shall be the same as that of the Board. Members are eligible for re-election upon expiry of terms of office. Where a member no longer serves as a Director of the Company, he automatically ceases to be a member, and the committee shall fill up the vacancy in accordance with the provisions of Articles 4 to 6 of these Terms of Reference.
- Article 8 The Remuneration and Assessment Committee shall set up a working group, which is specifically responsible for providing information on the operation of the Company and the relevant information of the appraised personnel, and preparing meetings of the Remuneration and Assessment Committee and implementing relevant resolutions of the Remuneration and Assessment Committee.

Chapter 3 Responsibilities and Authorities

- Article 9 The Remuneration and Assessment Committee mainly exercises the following responsibilities and authorities:
- (i) Make recommendations to the Board regarding the overall remuneration policies and structure of Directors and senior management and the implementation of formal and transparent procedures for the formulation of remuneration policies;

- (ii) Formulate job responsibilities for senior management;
- (iii) Formulate performance appraisal system and performance appraisal indicators for senior management, conduct appraisal and make recommendations;
- (iv) Review and approve the remuneration proposals of the management in accordance with the corporate policies and objectives established by the Board, and formulate the remuneration system and remuneration standards for Directors and senior management;
- (v) Make recommendations to the Board regarding the remuneration of non-executive Directors;
- (vi) Make recommendations to the Board regarding the determination of specific remuneration packages for individual executive Directors and senior management, including non-monetary benefits, pension rights and compensation (including compensation for loss or termination of offices or appointments);
- (vii) Formulate long-term incentive plans for Directors and senior management;
- (viii) Directors and senior management arrange shareholding plans when their are planning to split off the subsidiaries to which they belong;
- (ix) Develop or modify share incentive plans, employee stock ownership plans, and the achievement of granting rights and exercising rights conditions to incentive targets of participants;
- (x) Check and supervise the policies formulation and implementation of the remuneration system of the Company taking into consideration of the remuneration of similar companies, the time and responsibilities committed and the employment conditions of other positions in the Company;

- (xi) Review and approve the compensation to be paid to executive Directors and senior management for their loss or termination of offices, and make recommendations to the Board, in order to ensure that the compensation is consistent with the terms of contracts; if inconsistent, the compensation must be fair and reasonable and not excessive;
- (xii) Review the compensation arrangements for the dismissal or removal of Directors as a result of their misconduct, and make recommendations to the Board, in order to ensure that the compensation is consistent with the terms of contracts; if inconsistent, the compensation must be reasonable and appropriate;
- (xiii) Ensure that no Director or any of his associates (as defined under the Hong Kong Listing Rules) may participate in his performance appraisal and remuneration decision procedures except for the session of self- assessment of performance appraisal;
- (xiv) Review and/or approve matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules, including any grants of options or awards to directors or senior management (if applicable), and to make disclosure and give explanation on the appropriateness to such material matters (if any) being approved in the corporate governance report;
- (xv) Seek advice from the Chairman and/or the President regarding the remuneration proposals of other executive Directors; and
- (xvi) Other matters authorized by the Board.

Article 10 The Board shall have the right to reject compensation plans or programs that prejudice the interests of shareholders.

Article 11 The Remuneration and Assessment Committee shall formulate annual remuneration schemes for Directors and senior management, and specify the basis for remuneration determination and specific components in accordance with the remuneration management system of the Company. The remuneration scheme for Directors shall be submitted to the Board and the shareholders' general meeting of the Company for consideration and approval, and disclosed in a timely manner. The remuneration scheme for senior management shall be submitted to the Board for approval, explained to the shareholders' general meeting, and disclosed in a timely manner.

Article 12 The chairman of the Remuneration and Assessment Committee shall attend the annual general meeting (if the chairman of the Remuneration and Assessment Committee is unable to attend, another member of the Remuneration and Assessment Committee shall attend, or if the member is unable to attend, his appropriately appointed representative shall attend), and answer questions regarding the work and responsibilities of the Remuneration and Assessment Committee at the meeting.

Chapter 4 Decision-making Procedures

Article 13 The working group under the Remuneration and Assessment Committee shall be responsible for the preparation work at an early stage in relation to the appraisal of Directors and senior management of the Company and provide information of relevant aspects of the Company:

- (i) Information on the fulfillment of key financial indicators and business objectives of the Company;
- (ii) Information on the scope of work and the major responsibilities of senior management of the Company;
- (iii) Information on the fulfillment of indicators in the performance appraisal system for Directors and senior management;
- (iv) Information on the operational performance of Directors and senior management in terms of the capability in business innovation and profit generation;
- (v) Basis for relevant measurement adopted in the formulation of remuneration distribution plans and distribution methods of the Company according to the performance of the Company.

Article 14 The appraisal procedures of the Remuneration and Assessment Committee for Directors and senior management are as follows:

- (i) Directors and senior management of the Company report on the job duties to the Remuneration and Assessment Committee of the Board and conduct self-assessment;

- (ii) The Remuneration and Assessment Committee conducts performance appraisal on Directors and senior management in accordance with the performance appraisal standards and procedures;
- (iii) The amount of compensation and incentive methods for Directors and senior management are proposed based on the results of performance appraisal and remuneration distribution policies, and are submitted to the Board of the Company upon approval by vote.

Chapter 5 Proceedings

Article 15 The Remuneration and Assessment Committee has regular meetings and ad hoc meetings. Regular meetings shall be held at least once a year, and ad hoc meetings shall be held upon request by members of the Remuneration and Assessment Committee. Notice of a regular meeting shall be issued to all members three days (exclusive of the day of meeting) before the meeting is held, and notice of an ad hoc meeting shall be issued to all members two days (exclusive of the day of meeting) before the meeting is held.

Relevant documents of a meeting shall be submitted to all members of the Remuneration and Assessment Committee and other persons invited to attend the meeting within the time limit provided in the preceding paragraph of this Article.

Meetings shall be presided over by the chairman, and when the chairman cannot attend, he may appoint another member (an independent non-executive Director) to preside over the meeting.

Article 16 Meetings of the Remuneration and Assessment Committee should only be held when more than two-thirds of the members are present. Each member has one vote. The resolutions made at the meetings must be approved by the majority of all members (including those not present at the meeting).

Article 17 The voting at meetings of the committee shall be undertaken by show of hands or by polls. Ad hoc meetings may be held by way of communication voting.

Article 18 If necessary, Directors and other management may also be invited to attend meetings of the Remuneration and Assessment Committee.

- Article 19 If necessary, the Remuneration and Assessment Committee may engage intermediary institutions to provide professional advice for its decisions, and the costs shall be borne by the Company.
- Article 20 The procedures for convening meetings of the Remuneration and Assessment Committee, way of voting and resolutions approved at the meeting must comply with the provisions of relevant laws, regulations, the Hong Kong Listing Rules, the Articles of Association and these Terms of Reference.
- Article 21 When an issue concerning a member of the committee is discussed in a meeting of the Remuneration and Assessment Committee, the relevant member shall refrain from involvement.
- Article 22 Meetings of the Remuneration and Assessment Committee shall have minutes recorded. The opinions of independent directors should be recorded in the meeting records. Members attending a meeting shall sign the minutes of meeting. The minutes of meetings shall be kept by the secretary to the Board of the Company.
- Article 23 If reasonable notice is given by any of the Directors, the secretary to the Board shall publish relevant minutes of meetings for inspection at any reasonable time. The first draft and final draft of the minutes of the meeting shall be sent to all members of the Remuneration and Assessment Committee and all Directors within a reasonable period of time after the meeting. Members shall give their opinions regarding the first draft, and the final draft shall become the minutes of the meeting.
- Article 24 Unless restricted by legal or regulatory provisions, the recommendations, proposals and voting results approved at the meeting of the Remuneration and Assessment Committee shall be reported to the Board of the Company in writing.
- Article 25 Members present at the meeting shall all be responsible for keeping confidential the matters discussed at the meeting, and must not disclose the relevant information without authorization.

Chapter 6 Miscellaneous

- Article 26 Save as otherwise specified, the phrase “more than” as mentioned in these Terms of Reference shall include the number itself.
- Article 27 Any matters not covered in these Terms of Reference shall be implemented in accordance with the relevant provisions of the laws and regulations, listing rules of the place of listing of shares of the Company and the Articles of Association. Should there be any contradiction between the relevant provisions of these Terms of Reference and the laws and regulations, listing rules of the place of listing of shares of the Company and the Articles of Association promulgated or amended in the future, the matters shall be implemented in accordance with the provisions of relevant laws and regulations, listing rules of the place of listing of shares of the Company, the existing Articles of Association or the amended Articles of Association.
- Article 28 These Terms of Reference shall come into effect on the date of being considered and approved by the Board of the Company. From the date on which these Terms of Reference come into effect, the original Terms of Reference of the Remuneration and Assessment Committee of the Board of Directors of the Company shall automatically become invalid.
- Article 29 The power of interpretation of these Terms of Reference belongs to the Board of the Company.