Transsion

TERMS OF REFERENCE FOR THE STRATEGY AND SUSTAINABLE DEVELOPMENT (ESG) COMMITTEE OF THE BOARD OF DIRECTORS

(Applicable upon the Issuance and Listing of H Shares)

Chapter I General Provisions

Article 1 In order to meet the strategic development needs of the Company, enhance the core competitiveness of the Company, determine the development plans of the Company, improve investment decision-making procedures, strengthen the scientific basis of decision-making, enhance the effectiveness and quality of major investment decisions, improve the corporate governance structure, and enhance the Company's environmental, social responsibility and corporate governance (hereinafter referred to as "ESG") management standards, the Company hereby establishes the Strategy and Sustainable Development (ESG) Committee of the board of directors and formulates these terms of reference in accordance with the Company Law of the People's Republic of China, the Articles of Association of Shenzhen Transsion Holdings Co., Ltd. (hereinafter referred to as the "Articles of Association"), the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), the Guideline No. 1 for the Self-regulatory Rules for Companies Listed on the STAR Market of the Shanghai Stock Exchange — Standardized Operation (《上海證券交易所科創板上市公司自律監管指引第 1 號－規範運作》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and other relevant provisions.

Article 2 The Strategy and Sustainable Development (ESG) Committee is a specialized working body established by the board of directors pursuant to resolutions of the general meeting. It is primarily responsible for conducting studies and making recommendations on the Company's long-term development strategy and major investment decisions, sustainable development and ESG.

Chapter II Composition

Article 3 The Strategy and Sustainable Development (ESG) Committee shall consist of three directors, including at least one independent director (for the purpose of these terms of reference, the term "independent director(s)" shall have the same meaning as "independent non-executive director(s)" under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and the same applies hereinafter).

Article 4 Members of the Strategy and Sustainable Development (ESG) Committee shall be nominated by the chairman of the board of directors, one-half or more of the independent directors or one-third or more of all directors, and shall be elected by the board of directors.

Article 5 The Strategy and Sustainable Development (ESG) Committee shall have one chairperson (convener), who shall be the chairman of the board of directors.

Article 6 The term of office of the Strategy and Sustainable Development (ESG) Committee shall be consistent with that of the board of directors. A member may serve consecutive terms if re-elected upon the expiration of his/her term of office. If, during his/her term of office, a member ceases to be a director of the Company, such member shall automatically lose his/her qualification as a member, and the committee shall fill the vacancy in accordance with the provisions of Articles 3 to 5 above.

Article 7 The Strategy and Sustainable Development (ESG) Committee shall set up an investment review panel and an ESG working group, the head of which shall be the chairman of the board of directors of the Company.

Chapter III Duties and Authorities

Article 8 The primary duties and authorities of the Strategy and Sustainable Development (ESG) Committee include:

(I) to study and make recommendations on the Company's long-term development strategic planning;

(II) to study and make recommendations on major investment and financing plans subject to the approval of the board of directors under the Articles of Association;

(III) to study and make recommendations on major capital operation and asset management projects subject to the approval of the board of directors under the Articles of Association;

(IV) to identify and assess significant ESG risks and opportunities, including environmental, social, and corporate governance factors, and participate in advising the Company on its ESG strategies, including strategic planning, goal setting, policy formulation, implementation management, risk assessment and other issues;

(V) to supervise and make recommendations on the Company's ESG work, review the Company's ESG reports and make recommendations, implement other matters authorized by the board of directors and monitor the progress of ESG matters;

(VI) to study and make recommendations on other material matters affecting the Company's strategies, sustainable development and ESG;

(VII) to inspect the implementation of the above matters;

(VIII) other matters authorized by the board of directors.

Article 9 The Strategy and Sustainable Development (ESG) Committee shall be accountable to the board of directors, and proposals of the committee shall be submitted to the board of directors for consideration and decision.

Chapter IV Decision-making Procedures

Article 10 The investment review panel shall be responsible for undertaking the preparatory work for the Strategy and Sustainable Development (ESG) Committee's decision-making on the Company's long-term development strategy, major investment and financing, major capital operation and asset management, and providing relevant information regarding the Company:

(I) the persons-in-charge of the relevant departments of the Company or its holding (participating) companies shall submit information about major investment and financing, capital operation, intention for asset operation projects, preliminary feasibility reports and basic information of the partners;

(II) the investment review panel shall conduct an initial review, issue a project initiation opinion, and submit the same to the Strategy and Sustainable Development (ESG) Committee for filing;

(III) the relevant departments of the Company or its holding (participating) companies shall negotiate agreements, contracts, constitution, feasibility reports and other documents with external parties, and report to the investment review panel;

(IV) the investment review panel shall review and issue opinions, and make a formal proposal to the Strategy and Sustainable Development (ESG) Committee.

Article 11 The ESG working group shall be responsible for undertaking the preparatory work for the Strategy and Sustainable Development (ESG) Committee's decision-making on ESG matters, and providing relevant information regarding the Company:

(I) the persons-in-charge of the relevant departments of the Company or its holding (participating) companies shall submit topics, reports and other relevant information of material ESG matters to the ESG working group;

(II) the ESG working group shall conduct review, issue opinions, and submit formal proposals to the Strategy and Sustainable Development (ESG) Committee.

Article 12 The Strategy and Sustainable Development (ESG) Committee shall convene meetings based on the proposals submitted by the investment review panel and ESG working group for discussion, submit the discussion results to the board of directors, and provide feedback to the investment review panel and the ESG working group.

Chapter V Rules of Procedure

Article 13 The Strategy and Sustainable Development (ESG) Committee shall meet at the request of the board of directors or in response to a proposal by the members of the Strategy and Sustainable Development (ESG) Committee, and all members shall be notified three days prior to the meeting. The meeting notice may be given by personal delivery, mail, email, fax, telephone, SMS, WeChat or other means; provided that in special circumstances, immediate notice shall be given and the meeting shall be held in a timely manner. Meetings shall be chaired by the chairperson of the committee. If the chairperson of the committee is unable to attend, he/she may delegate another member (an independent director) to chair the meeting.

Article 14 Meetings of the Strategy and Sustainable Development (ESG) Committee shall be held only when attended by two-thirds or more of the members. Each member shall have one vote. Resolutions passed at a meeting must be approved by more than half of all members.

Article 15 Voting at meetings of the Strategy and Sustainable Development (ESG) Committee shall be conducted by a show of hands or by poll. Meetings may also be held by means of voting by communication.

Article 16 Heads of the investment review panel and the ESG working group may attend meetings of the Strategy and Sustainable Development (ESG) Committee as observers. When necessary, other directors and other senior management of the Company may also be invited to attend the meetings as observers.

Article 17 If necessary, the Strategy and Sustainable Development (ESG) Committee may engage intermediaries to provide professional advice for its decision-making, at the expense of the Company.

Article 18 The procedures for convening meetings of the Strategy and Sustainable Development (ESG) Committee, the voting methods, and the resolutions passed at the meetings must comply with the provisions of relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association, and these terms of reference.

Article 19 Minutes shall be taken for meetings of the Strategy and Sustainable Development (ESG) Committee. Members attending the meeting shall sign the minutes. The minutes of meetings shall be kept by the secretary to the board of directors of the Company.

Article 20 Resolutions passed and voting results at meetings of the Strategy and Sustainable Development (ESG) Committee shall be reported in writing to the board of directors of the Company.

Article 21 All members attending the meetings shall owe a duty of confidentiality with respect to the matters discussed at the meetings and shall not disclose relevant information without authorization.

Chapter VI Supplementary Provisions

Article 22 These terms of reference shall take effect and be implemented upon their approval by the board of directors of the Company and from the date on which the overseas-listed shares (H Shares) issued by the Company are listed on the Hong Kong Stock Exchange. Upon the implementation of these terms of reference, the original Terms of Reference of the Strategy and Sustainable Development (ESG) Committee of the Board of Directors shall automatically cease to have effect.

Article 23 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 of any conflict between these terms of reference and any national laws or regulations promulgated in the future, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association as amended through lawful procedures, the relevant national laws, regulations, the securities 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 amended immediately and submitted to the board of directors for consideration and approval.

Article 24 Unless otherwise required by these terms of reference, the meanings of the terms used herein shall be the same as those of the terms used in the Articles of Association.

Article 25 The board of directors of the Company shall be responsible for the interpretation of these terms of reference.