

CNGR Advanced Material Co., Ltd.

Rules of Procedure for Nomination, Remuneration and Appraisal Committee under the Board of Directors

Chapter 1 General Provisions

Article 1 In order to establish and improve the performance assessment and evaluation system for directors and senior officers of CNGR Advanced Material Co., Ltd. (the “Company”), and formulate a scientific and effective salary management system, the Nomination, Remuneration and Appraisal Committee under the Board of Directors has been specially established. This committee serves as a specialized institution for formulating and managing the salary plans for directors and senior officers of the Company, as well as for evaluating performance indicators.

Article 2 In order to ensure that the Nomination, Remuneration and Appraisal Committee can carry out its work in a standardized and efficient manner, the Board of Directors has specially formulated these Rules of Procedure in accordance with the provisions of the Company Law of the People’s Republic of China (the “Company Law”), the Governance Standards for Listed Companies, the Articles of Association of CNGR Advanced Material Co., Ltd. (the “Articles of Association”) and other relevant laws, regulations and normative documents.

Article 3 The resolutions made by the Nomination, Remuneration and Appraisal Committee shall comply with the provisions of the Articles of Association, these Rules of Procedure, as well as other relevant laws, regulations and normative documents.

Chapter 2 Composition

Article 4 The Nomination, Remuneration and Appraisal Committee shall comprise three Directors, the majority of whom shall be independent Directors.

Article 5 Members of the Nomination, Remuneration and Appraisal Committee shall be nominated by the Chairman, more than half of the independent Directors or more than one-third of all the Directors, and shall be elected by the Board of Directors.

The Nomination, Remuneration and Appraisal Committee shall have one convener, who shall be an independent director, elected by the committee members and filed with the board of directors. The Convener of the Nomination, Remuneration and Appraisal Committee is responsible for convening and presiding over the meetings of the Nomination, Remuneration and Appraisal Committee. When the Convener of the Nomination, Remuneration and Appraisal Committee is unable or fails to perform his/her duties, another committee member shall be appointed to act on his/her behalf. In the event that the Convener neither performs his or her duties nor designates another Member to perform his or her duties in his or her place, any one of the Members may report the situation to the Board of the Company, which shall designate a Member to perform the duties of the Convener of the Nomination, Remuneration and Appraisal Committee.

Article 6 Members of the Nomination, Remuneration and Appraisal Committee shall have the same tenure as the directors of the same session of the Board. The members may be re-elected upon the expiration of the term of office. During this period, if any committee member ceases to be a director, he/she will automatically lose his/her qualification as a member of the Nomination, Remuneration and Appraisal Committee.

Article 7 When the Nomination, Remuneration and Appraisal Committee has fewer than two-thirds of the required number of members due to the resignation or removal of committee members or other reasons, the Board shall promptly appoint new members to the committee.

Before the number of members on the Nomination, Remuneration and Appraisal Committee reaches two-thirds of the quorum, the Nomination, Remuneration and Appraisal Committee shall suspend the exercise of the powers stipulated in these Rules of Procedure.

Article 8 The provisions in the Company Law and the Articles of Association regarding the duties of Directors apply to the members of the Nomination, Remuneration and Appraisal Committee.

Chapter 3 Duties and Authorities

Article 9 The Nomination, Remuneration and Appraisal Committee mainly exercises the following functions and powers:

- (I) responsible for formulating criteria and procedures for the selection of directors and senior officers, selecting and reviewing candidates for directors and senior officers and their qualifications, and making recommendations to the Board of Directors on the following matters:
 - 1. nomination or appointment and removal of directors;
 - 2. appointment or dismissal of senior officers;
 - 3. other matters prescribed by laws, administrative regulations, CSRC regulations and the Articles of Association.
- (II) responsible for formulating evaluation standards of directors and senior officers, carrying out evaluations, formulating and reviewing the remuneration policies and programs of directors and senior officers, and making recommendations to the Board of Directors on the following matters:
 - 1. remuneration of Directors and senior officers;
 - 2. formulation or change of the equity incentive plans and employee stock ownership plans, and the conditions for the incentive objects to be granted with options and exercise options;
 - 3. the arrangement of shareholding plans of directors and senior officers in subsidiaries to be split;

4. other matters prescribed by laws, administrative regulations, CSRC regulations and the Articles of Association.

Article 10 The remuneration plan for the Directors proposed by the Nomination, Remuneration and Appraisal Committee shall be submitted to the Board of Directors for approval and submitted to the shareholders' meeting for deliberation and approval before implementation. The remuneration distribution plan for the senior officers of the Company shall be submitted to the Board of Directors for approval.

Chapter 4 Working Procedures

Article 11 The Nomination, Remuneration and Appraisal Committee shall, in accordance with provisions of the relevant laws and regulations and the Articles of Association, as well as the practical situations of the Company, consider the criteria and procedures for selection, and terms of office of the directors and senior officers of the Company, make the relevant resolutions, file for record and submit to the Board for approval. Procedures for the selection and appointment of directors and senior officers:

- (I) to study the Company's needs for new directors and senior officer;
- (II) to conduct extensive searches in the Company, its majority/minority-controlled subsidiaries, and the talent market to identify candidates for directors and senior officers, and provide written materials about the candidates;
- (III) to seek the consent of the proposed candidates for nomination; otherwise, they shall not be put on the list of candidates for Directors and senior officers;
- (IV) to hold a meeting of the Nomination Committee, and review qualifications of preliminary candidates pursuant to the working requirements for Directors and senior officers;
- (V) to submit the recommendation and relevant materials about the candidates for Directors and senior officers to the Board prior to the election of new Directors and the appointment of new senior officers;
- (VI) to carry out other follow-up work according to the decisions and feedback of the Board.

Article 12 The Board Secretary is responsible for making the necessary preparations for the decisions of the Nomination, Remuneration and Appraisal Committee, and providing the following materials:

- (I) to initially propose the main scope of management for directors and senior officers, their respective responsibilities, as well as the draft remuneration plan or program;
- (II) to conduct a preliminary review on the compensation policies for other employees of the Company (excluding directors and senior officers);

- (III) to assist the members of Nomination, Remuneration and Appraisal Committee in supervising the implementation of the compensation system of the Company;
- (IV) to provide relevant basic data for the performance assessment of directors and senior officers;
- (V) other tasks set by the Nomination, Remuneration and Appraisal Committee.

Article 13 Evaluation procedure of the Nomination, Remuneration and Appraisal Committee:

- (I) The senior officers submit the annual performance report to the Nomination, Remuneration and Appraisal Committee under the Board and make self-evaluation;
- (II) The Nomination, Remuneration and Appraisal Committee conducts performance evaluations of directors and senior officers based on the performance evaluation standards and procedures;
- (III) The amount of remuneration and reward method for directors and senior officers are proposed in accordance with the performance evaluation results of the post and the remuneration distribution policies, and submitted to the Board or Shareholders' meeting for deliberation after being approved by voting.

Chapter 5 Convening of Meetings and Notices

Article 14 The Nomination, Remuneration and Appraisal Committee holds meetings irregularly, based on the actual needs and upon the proposal of the committee members.

Article 15 A meeting of the Nomination, Remuneration and Appraisal Committee shall only be held when more than 2/3 (including 2/3) of its members are present.

Article 16 The meetings of the Nomination, Remuneration and Appraisal Committee shall be held on the spot in principle. On the premise of ensuring that all participating Directors are able to fully communicate and express their opinions, the meeting may be held by video, telephone or other means in accordance with the procedures when necessary. If a communication voting method is adopted, the members who sign their names on the meeting resolution shall be regarded as having attended the relevant meeting and agreeing to the content of the resolution.

Article 17 The Nomination, Remuneration and Appraisal Committee shall issue the meeting notice 3 days prior to the meeting (excluding the day of the meeting). In case of emergency and it is necessary to convene an extraordinary meeting as soon as possible, the meeting notice may be sent by telephone or other means at any time, with no need to follow the notification time limit stipulated in the previous paragraph, provided that the convener shall make explanations at the meeting. The meeting shall be presided over by the committee chairman, or by another member of the committee if the committee chairman is unable to attend.

Article 18 The notice of a meeting of the Nomination, Remuneration and Appraisal Committee shall at least contain the following contents:

- (I) the time and venue of the meeting;
- (II) duration of the meeting;
- (III) topics to be discussed at the meeting;
- (IV) contact persons for the meeting and their contact information;
- (V) the date of the meeting notice.

Article 19 The meeting notice should include a complete set of proposals.

Article 20 The meeting notice of Nomination, Remuneration and Appraisal Committee will be sent to all committee members through methods such as fax, email, phone call, WeChat and personal delivery.

When using quick notification methods such as email, phone calls, or WeChat, the day of sending is regarded as the date of service.

Chapter 6 Procedure for Deliberation and Voting

Article 21 Each member of the Nomination, Remuneration and Appraisal Committee shall have one vote. Resolutions made at the meeting shall be adopted by more than half of all the members (including the members who fail to attend the meeting).

Article 22 Members of the Nomination, Remuneration and Appraisal Committee may attend the meeting in person or may entrust other members to attend on their behalf and exercise their voting rights. If a member entrusts another member to attend the meeting and exercise his/her voting rights, a power of attorney shall be submitted to the meeting presider. The power of attorney shall be submitted to the meeting presider no later than the time for voting.

Article 23 If a member of the Nomination, Remuneration and Appraisal Committee neither attends the meeting in person nor delegates another member to attend on his/her behalf, it shall be regarded as absence from the relevant meeting. If a member of the Nomination, Remuneration and Appraisal Committee fails to attend the meeting for two consecutive times, it shall be regarded as that the person is unable to properly perform his/her duties. The Board of Directors can remove such member from his/her position.

Article 24 Board office staff may attend the meetings of the Nomination, Remuneration and Appraisal Committee. Directors who are not members of the Nomination, Remuneration and Appraisal Committee may also attend the meetings of the Nomination, Remuneration and Appraisal Committee upon invitation. If the Nomination, Remuneration and Appraisal Committee deems it necessary, other persons related to the meeting proposals may be invited to attend the meeting, introduce the situation or express opinions, but persons who are not members of the Nomination, Remuneration and Appraisal Committee do not have the right to vote on the proposals.

Article 25 The voting methods of the Nomination, Remuneration and Appraisal Committee meeting shall be voting by show of hands or by poll.

Article 26 The committee members present at the meeting shall, in a serious and responsible manner, deliberate the proposals and express their personal opinions freely; and committee members shall be responsible for their individual votes.

Article 27 When the Nomination, Remuneration and Appraisal Committee holds its meetings in person, a written meeting minute shall be made. The attending committee members and the recorder shall sign on the meeting minute. The members attending the meeting have the right to have their speeches at the meeting descriptively recorded on the meeting minute.

The meeting minutes of the Nomination, Remuneration and Appraisal Committee are kept as company archives by the Board Secretary Office. During the existence of the Company, the retention period is ten years.

Article 28 The meeting minute of the Nomination, Remuneration and Appraisal Committee shall at least contain the following contents:

- (I) the date and venue of the meeting and the name of the convener;
- (II) the names of the attendees, and if they are attending on behalf of others, this should be specifically noted;
- (III) agenda of the meeting;
- (IV) key points of the committee members' speeches;
- (V) voting method and results of each resolution or proposal (the voting results shall indicate the number of votes in favor, against or abstention);
- (VI) other matters that should be explained and recorded in the meeting minutes.

Chapter 7 Supplementary Provisions

Article 29 The term “senior officer” as used in these Rules of Procedure refers to the president, vice presidents, secretary of the board of directors, and chief financial officer of the Company.

Article 30 These Rules of Procedure shall take effect on the date when they are approved by the Board.

Article 31 Any matter not covered by these Rules of Procedure shall be implemented in accordance with the provisions of the relevant laws, administrative regulations and departmental rules of the state and the Articles of Association. If these Rules of Procedure conflict with the relevant laws, administrative regulations and departmental rules enacted by the state in the future or the revised

Articles of Association, the relevant provisions of the relevant laws, administrative regulations and departmental rules of the state and the revised Articles of Association shall prevail, and these Rules of Procedure shall be promptly revised and submitted to the Board of Directors for approval.

Article 32 These Rules of Procedure shall be interpreted by the Board.