

Shenzhen Xunce Technology Co., Ltd.

Terms of Reference of the Remuneration and Assessment Committee of the Board of Directors

Chapter I General Provisions

Article 1 In order to further establish and improve the assessment and remuneration management system for the Directors and senior management of Shenzhen Xunce Technology Co., Ltd. (hereinafter referred to as the “**Company**”), and improve the corporate governance structure, the Company has specifically established the Remuneration and Assessment Committee under the Board of Directors (hereinafter referred to as the “**Committee**”), as a specialized body responsible for formulating, managing and assessing the remuneration system for the Directors and senior management of the Company.

Article 2 In order to ensure the Committee to carry out its work in a well-regulated and efficient manner, these terms of reference are specially formulated by the Board of Directors of the Company pursuant to 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 “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (hereinafter referred to as the “**Listing Rules**”) and the “Articles of Association of Shenzhen Xunce Technology Co., Ltd.” (hereinafter referred to as the “**Articles of Association**”) and other relevant regulations.

Chapter II Composition and Responsibilities

Article 3 The Committee shall comprise of three Directors, of which more than half shall be independent non-executive Directors.

Article 4 The Committee shall have one chairman, who shall be an independent non-executive Director and shall be responsible for presiding over the work of the Committee.

Article 5 The chairman and members of the Committee shall be nominated by more than half of the independent non-executive Directors or more than one-third of all Directors, and shall be elected by the Board of Directors of the Company.

Article 6 The term of office of the Committee shall be consistent with that of the Board of Directors, and the term of office of a member is renewable upon re-election. During this period, if any member no longer serves as a Director or an independent non-executive Director of the Company, or if any member who should have the status of an independent non-executive Director no longer possesses such independence as required by the Company Law, the Listing Rules and the Articles of Association, his/her membership on the Committee shall lapse automatically. To ensure the composition of the Committee complies with the requirements of these terms of reference, the Board of Directors shall fill the vacancy in accordance with Article 5 of these terms of reference. The terms of office of the replacing member shall end by the expiry of term of office for his/her

serving as the Director or the independent non-executive Director. In the event that any member of the Committee fails to meet the requirements of Articles 3 to 5 of these terms of reference, the Board of Directors shall promptly explain the particulars and reasons for the failure to meet the relevant requirements by public notice in accordance with the requirements of the Listing Rules, and shall make a replacement within three months as of the failure to meet the aforementioned requirements pursuant to Articles 3 to 5 of these terms of reference. The terms of office of the replacing member shall end by the expiry of term of office for his/her serving as the Director.

Article 7 The secretary of the Board of Directors shall be responsible for liaising day-to-day work and organizing meetings of the Committee.

Article 8 The main duties of the Committee are:

- (1) formulating the measures of performance evaluation for Directors, and the remuneration plans for Directors and supervisors (in which the remuneration plans for supervisors shall be subject to the opinion of the Board of Supervisors), and submitting them to the general meeting for decision upon approval of the Board of Directors;
- (2) organizing the performance evaluation of Directors, proposing suggestions on the remuneration distribution of Directors, and submitting them to the general meeting for decision upon approval of the Board of Directors;
- (3) proposing suggestions on the remuneration distribution of the supervisors in accordance with the performance evaluation of the supervisors by the Board of Supervisors, and submitting them to the general meeting for decision upon approval of the Board of Directors;
- (4) formulating and reviewing the assessment methods and remuneration plans for senior management, evaluating the performance and behavior of senior management, and reporting them to the Board of Directors for approval, matters involving the functions of the general meeting are subject to the approval of the general meeting;
- (5) reviewing and approving matters set out in Chapter 17 of the Listing Rules in relation to the Share Schemes and exercising all powers of the Board of Directors in accordance with any share option and/or award scheme of the Company, including but not limited to the granting of options under such scheme;
- (6) performing other duties required by laws, regulations, rules, regulatory documents, the Listing Rules and the Articles of Association, and authorized by the Board of Directors.

Chapter III Rules of Procedure

Article 9 The Committee shall hold regular meetings at least once a year. The Board of Directors, the chairman of the Committee or more than half of the members shall have the right to propose convening an extraordinary meeting of the Committee.

Article 10 The Committee shall notify all members three days prior to the meeting. The chairman of the Committee shall preside over the meeting. If the chairman of the Committee is unable to attend the meeting, he/she may delegate another member to preside over the meeting. Where a meeting needs to be urgently convened due to special reasons, it may not be subject to the aforementioned notification period, but the chairman of the Committee shall make an explanation at the meeting.

Article 11 The notice of meeting may be sent in written form by designated person, fax, registered mail, or email. In the case of an emergency, the notice may be sent by telephone. The notice shall at least include the time, place and convening method of the meeting, and explanation on the reason to convene the meeting as soon as possible in case of emergency, and a written notice shall be sent afterwards.

Article 12 A meeting of the Committee may only be held if it is attended by more than half of the members of the Committee. A member shall attend a meeting of the Committee in person. If a member is unable to attend a meeting for some reasons, he/she may delegate another member in writing to attend the meeting on his/her behalf and vote.

Article 13 A meeting of the Committee may be held in the form of on-site meetings or teleconference, video conference, or by written resolutions, etc.

Article 14 At a meeting of the Committee, a show of hands or a vote by poll may be adopted. Each member shall have one vote; a resolution made at the meeting is conditional upon approval by more than half of all the members. If there are objections, the opinions of the members who voted against the resolution shall be archived.

Article 15 When the Committee evaluates or discusses the remuneration of a Director, such Director shall abstain from the meeting.

Article 16 The Committee shall adopt the procedures for voting abstention as follows:

- (1) the interested member shall proactively apply for abstaining from voting; otherwise, other members shall have the right to demand an abstention;
- (2) in case of any dispute on the existence of conflict of interest, it shall be resolved by a simple majority of members present at the meeting other than the member in question;
- (3) the interested member shall, rather than participating in discussion or voting on any matter from which he or she is required to abstain, leave the meeting temporarily or otherwise avoid the issue;
- (4) where the Committee is unable to make a resolution on the proposed matters due to an abstention of the interested member, it shall resolve to submit the same for consideration by the Board of Directors and so act in a timely manner. In the resolution on submitting the proposed matters for consideration by the Board of Directors, the Committee shall provide its consideration details and the opinions of non-interested members on such matters.

Article 17 If matters approved at the meeting of the Committee fall within the scope of the duties of the Board of Directors, they shall be proposed in writing to the Board of Directors for review.

Article 18 Where necessary, the Committee may invite Directors, supervisors and senior management of the Company and persons involved in the relevant matters under deliberation to attend the meetings.

Article 19 Where necessary, the Committee may engage external experts to attend the meeting and the fee shall be borne by the Company.

Article 20 The external experts engaged by the Committee shall be mainly responsible for providing consulting opinions and professional suggestions on the professional issues involved in the matters discussed at the meeting. The experts engaged by the Committee to attend in the meeting shall have the right to propose, but do not have the right to vote.

Article 21 The Committee shall keep minutes of its meetings and the attending members shall sign the minutes of the meeting. Members present at the meeting shall have the right to request an explanatory record of their statements made at the meeting to be recorded in the minutes. Minutes of the meeting of the Committee shall be kept as company archives together with the signatures book of the members present at the meeting and the power of attorney on their behalf to attend the meeting for a retention period of ten years.

Article 22 All members and other attendees present at the meeting shall have the obligation to keep all matters discussed at the meetings confidential and shall not disclose the relevant information without authorization.

Chapter IV Supplementary Provisions

Article 23 Unless otherwise specified, the terms used in these terms of reference shall have the same meaning as those used in the Articles of Association. The terms “more than” and “at least” as mentioned herein include the stated number.

Article 24 Any matters not covered herein or any discrepancy between these terms of reference and the relevant laws, regulations, rules, regulatory documents, the Listing Rules and the provisions of the Articles of Association, the relevant laws, regulations, rules, regulatory documents, the Listing Rules and the provisions of the Articles of Association shall prevail.

Article 25 These terms of reference shall come into effect after being deliberated and adopted by the Board of Directors of the Company. The Board of Directors of the Company is responsible for the interpretation and amendment of these terms of reference.