

QINGDAO GON TECHNOLOGY CO., LTD.

**TERMS OF REFERENCE OF
THE REMUNERATION AND APPRAISAL COMMITTEE OF THE BOARD OF DIRECTORS**
(Applicable after the issuance and listing of H Shares)

June 2025

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CHAPTER 1 GENERAL

Article 1 In order to further establish a comprehensive appraisal and remuneration system of directors (excluding independent directors, as applicable hereinafter) and senior management of Qingdao Gon Technology Co., Ltd. (the “Company”) and improve the corporate governance of the Company, in accordance with the Company Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, the Administrative Measures for Independent Directors of Listed Companies, 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 the Company (the “Articles of Association”), and other relevant provisions, the Company has established the remuneration and appraisal committee (the “Remuneration and Appraisal Committee” or “Committee”) under the Board of Directors and formulated these Terms of Reference.

Article 2 The Remuneration and Appraisal Committee is a specialised working body established by the Board. It is primarily responsible for studying and formulating the appraisal criteria for the Company’s directors and senior management, conducting assessments and making recommendations; and for studying, formulating and reviewing the remuneration policies and plans for the Company’s directors and senior management.

Article 3 For the purposes of these terms of reference, “directors” refer to directors who receive remuneration from the Company, and “senior management” refers to the general manager, deputy general managers, chief financial officer, and board secretary appointed by the Board.

CHAPTER 2 COMPOSITION

Article 4 The Remuneration and Appraisal Committee shall consist of three directors, two of whom shall be independent directors. For the purposes of these Terms of Reference, the term “independent director” shall have the same meaning as “independent non-executive director” under the Hong Kong Listing Rules.

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

Article 6 The Remuneration and Appraisal Committee shall have one chairman (i.e. the convener), who shall be an independent director and shall be responsible for presiding over the work of the Committee. The chairman of the Committee shall be elected from among the members of the Committee and shall be subject to approval by the Board.

Article 7 The term of office of the Remuneration and Appraisal Committee shall be the same as that of the Board for the corresponding term. Upon expiration of a member’s term of office, such member may be re-elected and may serve consecutive terms. If, during the term, a member ceases to hold the position of director of the Company, he or she shall automatically cease to be a member of the Committee, and the Board shall, in accordance with Articles 4 to 6 above, appoint a replacement to fill the vacancy.

Where an independent director member resigns or is removed due to the occurrence of circumstances specified under relevant regulations, resulting in the proportion of independent directors on the Committee failing to comply with the requirements of these Terms of Reference or the Articles of Association, the Company shall complete the appointment of a replacement within sixty days from the date on which such circumstances arise. The independent director who intends to resign shall continue to perform his or her duties until the newly appointed independent director takes office.

Article 8 A working group shall be established under the Remuneration and Appraisal Committee, which shall be specifically responsible for providing information relating to the Company's operations and relevant information on the persons subject to appraisal, preparing meetings of the Remuneration and Appraisal Committee, and implementing the relevant resolutions of the Remuneration and Appraisal Committee.

CHAPTER 3 DUTIES AND AUTHORITIES

Article 9 The principal duties and authorities of the Remuneration and Appraisal Committee shall include:

- (1) To formulate remuneration plans or proposals, policies and structures, and to establish formal and transparent procedures for the formulation of such remuneration plans or proposals, based on the principal scope of work, responsibilities and significance of the management positions held by directors and senior management, as well as remuneration levels for comparable positions in other relevant enterprises, and to make recommendations to the Board. Such remuneration plans or proposals shall include, but are not limited to, performance appraisal criteria, procedures and principal appraisal systems, as well as major incentive and penalty schemes and systems;
- (2) To review and approve management's remuneration proposals in accordance with the corporate policies and objectives determined by the Board;
- (3) To make recommendations to the Board on the remuneration of directors and senior management (including non-monetary benefits, pension entitlements and compensation amounts (including compensation for loss or termination of office or appointment));
- (4) To make recommendations to the Board on the remuneration of non-executive directors;
- (5) To take into account the requirements of relevant laws and regulations, remuneration packages paid by comparable companies, the time commitment and responsibilities of directors and senior management, the employment conditions of other positions within the Company, and whether remuneration should be determined by reference to performance;
- (6) To review and approve compensation payable to executive directors and senior management in connection with loss or termination of office or appointment, to ensure that such compensation is determined in accordance with the relevant contractual terms; where compensation cannot be determined in accordance with such contractual terms, to ensure that it is fair and reasonable and does not impose an undue burden on the Company;

- (7) To review and approve compensation arrangements relating to the dismissal or removal of any director due to misconduct, ensuring that such arrangements are determined in accordance with the relevant contractual terms; where compensation cannot be determined in accordance with such contractual terms, to ensure that such compensation is reasonable and appropriate;
- (8) To ensure that no director or any of his or her associates (as defined under the Hong Kong Listing Rules) shall be involved in determining his or her own remuneration;
- (9) To consider and/or approve matters relating to share schemes as set out in Chapter 17 of the Hong Kong Listing Rules;
- (10) To review the performance of duties by the Company's directors and senior management and to conduct annual performance appraisals thereof;
- (11) To be responsible for supervising the implementation of the Company's remuneration system; and
- (12) Other matters as prescribed by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Article 10 The Board shall have the authority to veto any remuneration plan or proposal that is detrimental to the interests of shareholders.

Article 11 In exercising its powers and duties, the Remuneration and Appraisal Committee shall comply with the Company Law, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association, and these Terms of Reference, and shall not prejudice the interests of the Company or its shareholders.

Article 12 The Remuneration and Appraisal Committee shall be accountable to the Board. Any remuneration plan proposed for the Company's directors shall be submitted to the Board for approval and shall be implemented only after being approved by the shareholders' general meeting; remuneration distribution plans for the Company's senior management shall be implemented upon approval by the Board.

Any equity incentive plan of the Company formulated by the Remuneration and Appraisal Committee shall be implemented only after being approved by the Board and submitted to the shareholders' general meeting for approval.

CHAPTER 4 DECISION-MAKING PROCEDURES

Article 13 The working group established under the Remuneration and Appraisal Committee shall be responsible for carrying out the preparatory work for the Committee's decision-making and for providing relevant information concerning the Company, including:

- (1) the Company's major financial indicators and the achievement of its operating targets;
- (2) the principal duties of the Company's senior management and the scope of their respective responsibilities;
- (3) the achievement of indicators involved in the performance appraisal system for directors and senior management;
- (4) the operating performance of directors and senior management in terms of business innovation capability and profitability; and
- (5) the calculation basis for formulating the Company's remuneration distribution plan and methods based on the Company's performance.

Article 14 The appraisal procedures of the Remuneration and Appraisal Committee for directors and senior management shall be as follows:

- (1) directors and senior management of the Company shall report on their work and self-assessments to the Remuneration and Appraisal Committee of the Board;
- (2) the Remuneration and Appraisal Committee shall conduct performance appraisals of directors and senior management in accordance with the performance appraisal criteria and procedures; and
- (3) based on the results of the position-based performance appraisals and the remuneration distribution policies, the Committee shall propose the remuneration amounts and forms of incentive for directors and senior management, which shall, upon approval by resolution of the Committee, be submitted to the Board.

Article 15 The Remuneration and Appraisal Committee shall make recommendations to the Board on the following matters:

1. the remuneration of directors and senior management;
2. the formulation or amendment of equity incentive plans and employee share ownership plans, the grant of equity interests to incentive recipients and the satisfaction of conditions for the exercise of such equity interests;
3. the shareholding arrangements of directors and senior management in relation to proposed spin-offs of their respective subsidiaries; and
4. other matters as prescribed by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Where the Board does not adopt, or does not fully adopt, the recommendations of the Remuneration and Appraisal Committee, the opinions of the Committee and the specific reasons for non-adoption shall be recorded in the relevant board resolutions and shall be disclosed.

CHAPTER 5 RULES OF PROCEDURES

Article 16 The Remuneration and Appraisal Committee shall give notice to all members at least three days prior to the convening of a meeting. Meetings shall be chaired by the chairman of the Committee; where the chairman is unable to attend, he or she may entrust another independent director member to chair the meeting.

Article 17 A meeting of the Remuneration and Appraisal Committee shall be valid only if attended by more than two-thirds of its members. Each member shall have one vote. Resolutions of the meeting shall be passed by a majority of all Committee members.

Article 18 Voting at meetings of the Remuneration and Appraisal Committee shall be conducted by a show of hands or by ballot. Extraordinary meetings may be convened and voted on by means of communication.

Article 19 The Remuneration and Appraisal Committee may, where necessary, invite directors or senior management of the Company to attend meetings.

Article 20 The Remuneration and Appraisal Committee shall be provided with sufficient resources to discharge its duties. Where necessary, the Committee may engage professional agents to provide advice in relation to its decision-making, and the fees incurred shall be borne by the Company.

Article 21 When matters concerning any member of the Committee are discussed at a meeting, such member shall abstain from discussion.

Article 22 The procedures for convening meetings of the Remuneration and Appraisal Committee, the voting methods, and the remuneration policies and distribution plans to be approved at the meetings shall comply with applicable laws and 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 23 Minutes shall be kept of the meetings of the Remuneration and Appraisal Committee, and members present at the meeting shall sign the minutes. The minutes shall be kept by the Company Secretary.

Article 24 Resolutions passed and the results of voting at meetings of the Remuneration and Appraisal Committee shall be submitted to the Board in writing.

Article 25 All Committee members attending meetings shall keep the matters discussed confidential and shall not disclose any relevant information without authorization.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 26 These Terms of Reference shall take effect and be implemented from the date on which the H shares of the Company are listed on The Stock Exchange of Hong Kong Limited, following approval by the Board.

Article 27 Matters not covered by these Terms of Reference shall be governed by the relevant laws and regulations of the PRC, 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 the relevant laws and regulations of the PRC, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, the provisions of the relevant laws and regulations and the Articles of Association shall prevail.

Article 28 These Terms of Reference shall be published on the websites of The Stock Exchange of Hong Kong Limited and the Company, to explain the role of the Remuneration and Appraisal Committee and the powers delegated to it by the Board.

Article 29 These Terms of Reference shall be subject to the interpretation of the Board.