

Guangdong Huayan Robotics Co., Ltd.

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

CHAPTER I GENERAL PROVISIONS

Article 1 To further establish and enhance the assessment and remuneration management rules for directors and senior management of Guangdong Huayan Robotics Co., Ltd. (hereinafter referred to as the “Company”), perfect the corporate governance structure, in accordance with the provisions of the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and other relevant laws, administrative regulations, departmental rules, normative documents and the Articles of Association of Guangdong Huayan Robotics Co., Ltd. (hereinafter referred to as the “Articles of Association”), and the Rules of Procedure of the Board of Directors of Guangdong Huayan Robotics Co., Ltd., the Company specially establishes the Remuneration Committee of the Board of Directors, and formulates these terms of reference.

Article 2 The Remuneration Committee is a specialized working body established by the Board of Directors in accordance with the Articles of Association and the Hong Kong Listing Rules, mainly responsible for researching the assessment standards for directors and senior management of the Company and conducting assessments, responsible for researching and examining the remuneration policies and proposals for directors and senior management of the Company, accountable to the Board of Directors, and reports its work to the Board of Directors.

Article 3 Directors referred to in these terms of reference mean directors who receive remuneration in the Company; senior management means the general manager, financial person-in-charge, secretary to the Board of Directors appointed by the Board of Directors, and other senior management personnel recognized by the Board of Directors and defined according to the Hong Kong Listing Rules as amended from time to time.

CHAPTER II COMPOSITION

Article 4 The members of the Remuneration Committee shall be composed of 3 directors, among whom independent non-executive directors shall constitute a majority.

Article 5 The members of the Remuneration Committee shall be nominated by the chairman of the Board of Directors, more than 1/2 of the independent non-executive directors, or more than 1/3 of all directors, and elected by more than half of the Board of Directors.

Article 6 The Remuneration Committee shall have one committee chairman, who shall be served by an independent non-executive director member, responsible for presiding over the work of the committee, and elected by more than half of the Board of Directors.

Article 7 The term of office of the members of the Remuneration Committee shall be consistent with the term of office of the directors, and the term of office of the members shall be consistent with the term of office of the directors of the same session. Upon expiration of the term of office of a member, he/she may be re-elected and re-appointed upon consecutive election. If during the period a member no longer serves the position of a director of the Company and is no longer suitable to serve the position of a member (such as a member who should possess the status of an independent non-executive director no longer meets the requirements concerning independence under the Hong Kong Listing Rules), he/she shall automatically lose the qualification of a member, and the Board of Directors shall make up the number of members within three months in accordance with the provisions of Articles 4 to 6 above.

Article 8 A working group is set up under the Remuneration Committee as the daily administrative body, specially responsible for providing relevant data concerning the operation of the Company and relevant data of the personnel being assessed, responsible for preparing the meetings of the Remuneration Committee and executing the relevant resolutions of the Remuneration Committee. The members of the working group are not required to be members of the Remuneration Committee.

CHAPTER III DUTIES AND POWERS

Article 9 The main duties and powers of the Remuneration Committee are:

- (I) Research the standards for the assessment of directors and senior management, conduct assessments and propose recommendations;
- (II) According to the corporate policies and objectives formulated by the Board of Directors, the positions, responsibilities, and scopes of work of directors and senior management, and with reference to the remuneration levels of relevant positions in the same region, the same industry or among competitors, research and examine the remuneration policies and proposals for directors and senior management personnel of the Company, and formulate and propose recommendations to the Board of Directors regarding the establishment of formal and transparent procedures;
- (III) Examine the duty performance of directors and senior management of the Company every year and conduct annual performance appraisals on them, formulate annual remuneration proposals and further reward and punishment proposals based on the evaluation results, submit them to the Board of Directors for consideration, and supervise the specific implementation of the proposals;
- (IV) Review and approve the remuneration proposals of the management with reference to the corporate policies and objectives formulated by the Board of Directors;
- (V) Be responsible for evaluating the remuneration system of the Company and auditing and supervising its implementation conditions, and review and approve the remuneration proposals of the management in response to the corporate policies and objectives formulated by the Board of Directors;

- (VI) With delegated responsibility from the Board of Directors, determine the remuneration packages of individual executive directors and senior management; or recommend to the Board of Directors the remuneration packages of individual executive directors and senior management. Such remuneration packages include benefits in kind, pension rights and compensation amounts (including compensation for loss or termination of office or appointment);
- (VII) Make recommendations to the Board of Directors regarding the remuneration of non-executive directors;
- (VIII) Continuously supplement and revise the remuneration system and remuneration structure according to the market and the development of the Company;
- (IX) Consider the remuneration paid by comparable companies, the time required to be devoted and responsibilities, as well as the employment conditions of other positions within the group;
- (X) Review and approve the compensation required to be paid to executive directors and senior management in respect of their loss or termination of office or appointment, to ensure that such compensation is consistent with the contractual terms; if it fails to be consistent with the contractual terms, the compensation shall also be fair and reasonable, and not excessive;
- (XI) Review and approve the compensation arrangements involved in the dismissal or removal of relevant directors due to misconduct of the directors, to ensure that such arrangements are consistent with the contractual terms; if they fail to be consistent with the contractual terms, the relevant compensation shall also be reasonable and appropriate;
- (XII) Ensure that any director and any of his/her associates shall not be involved in determining his/her own remuneration;
- (XIII) Review and/or approve matters relating to share schemes as described in Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
- (XIV) Consider and implement other matters defined or delegated by the Board of Directors from time to time or stipulated by the listing rules from time to time; and
- (XV) Other duties stipulated in the Articles of Association and other matters authorized by the Board of Directors.

Article 10 The Remuneration Committee is accountable to the Board of Directors. The proposals of the Remuneration Committee shall be submitted to the Board of Directors for consideration and decision.

Article 11 The remuneration plans for the directors of the Company proposed by the Remuneration Committee must be reported to the Board of Directors for consent, and then submitted to the shareholders' meeting for consideration and passage before they can be implemented; the remuneration allocation proposals for the senior management of the Company must be reported to the Board of Directors for approval before implementation.

Article 12 The Board of Directors has the right to veto remuneration plans or proposals that harm the interests of the shareholders.

CHAPTER IV DECISION-MAKING PROCEDURES

Article 13 The working group set up under the Remuneration Committee is responsible for doing well the preliminary preparation work for the decision-making of the Remuneration Committee, and providing data concerning the following aspects of the Company:

- (I) The completion conditions of major financial indicators and operational indicators of the Company;
- (II) The scope of work in charge and the main duty conditions of the senior management of the Company;
- (III) The completion conditions of indicators involved in the post performance appraisal system for directors and senior management;
- (IV) The operational performance conditions regarding the business innovation ability and profit-creating ability of directors and senior management;
- (V) Relevant calculation bases for formulating the Company's remuneration allocation planning and allocation methods based on the Company's performance.

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

- (I) The directors and senior management of the Company make duty reports and self-evaluations to the Remuneration Committee of the Board of Directors;
- (II) The Remuneration Committee conducts performance evaluations on directors and senior management according to the performance evaluation standards and procedures;
- (III) According to the post performance evaluation results and remuneration allocation policies, propose the remuneration amounts and reward methods for directors and senior management, and report to the Board of Directors of the Company after passage by voting.

Article 15 If necessary, the Remuneration Committee may engage intermediary agencies to provide professional opinions for its decision-making, relevant reasonable expenses shall be borne by the Company, and the Board of Directors shall ensure that the Remuneration Committee is provided with sufficient resources to perform its duties.

CHAPTER V RULES OF PROCEDURE

Article 16 The meetings of the Remuneration Committee are divided into regular meetings and extraordinary meetings. The regular meetings of the Remuneration Committee shall be convened at least once a year, and all members shall be notified 5 days prior to the convening of the regular meeting. The meeting shall be convened and presided over by the chairman of the committee. When the chairman of the committee is unable to perform his/her duties, he/she may entrust another member (an independent non-executive director) to convene and preside.

For an extraordinary meeting of the Remuneration Committee, all members shall be notified 2 days prior to the convening of the meeting. With the unanimous consent of all members, the execution of the aforementioned notice period may be exempted.

The notice methods include delivery by a designated person, fax, mail, email, telephone, etc.

Article 17 The meeting notice of the Remuneration Committee shall at least include the following contents:

- (I) The time and location of the meeting;
- (II) The duration of the meeting;
- (III) The topics needing to be discussed at the meeting;
- (IV) The contact person and contact information of the meeting;
- (V) The date of the meeting notice.

For those notified by telephone, the contents of items (1) and (2) above should at least be included, written records should be well made, and the meeting documents should be sent to all members before the meeting.

Article 18 The meetings of the Remuneration Committee may be convened in the form of physical meetings, and the voting method is open ballot voting. With the unanimous consent of all members, the meeting may be convened and resolutions may be made by means of video, telephone or written circulation.

Article 19 The meetings of the Remuneration Committee shall only be held when more than 2/3 of the members (including members who entrust other members in writing to attend the meeting on their behalf) attend; each member has one voting right; the resolutions made at the meeting must be passed by more than half of all members.

Article 20 If a member of the Remuneration Committee entrusts another member to attend the meeting and exercise the voting right on his/her behalf, he/she shall submit a power of attorney to the presider of the meeting. The power of attorney shall state the name of the proxy, matters of agency, scope of authorization and period of validity, and shall be signed or sealed by the principal. If it involves voting matters, the principal shall explicitly express his/her opinions of agreement, opposition or abstention on each matter in the power of attorney. Members shall not make or accept entrustments without voting intentions, full entrustments or entrustments with an unclear scope of authorization. A valid power of attorney shall be submitted to the presider of the meeting no later than prior to voting at the meeting.

Article 21 A member of the Remuneration Committee who neither attends the meeting in person nor entrusts another member to attend the meeting on his/her behalf is deemed not to have attended the relevant meeting. If a member of the Remuneration Committee fails to attend meetings for two consecutive times and does not entrust another member to attend, he/she is deemed unable to properly perform his/her duties and powers, and the Board of Directors may remove his/her position as a member.

Article 22 After the attending members have completed voting, the voting results of each member shall be collected in a timely manner and statistics shall be conducted. For meetings convened on-site, the presider of the meeting shall announce the statistical results on the spot; for voting in the form of non-physical meetings, the presider of the meeting shall notify each member of the voting results in writing within 3 days upon the expiration of the voting time limit.

Article 23 Members of the working group may attend the meetings of the Remuneration Committee in non-voting capacity, and when necessary, directors and senior management of the Company may be invited to attend the meetings in non-voting capacity.

Article 24 When topics concerning committee members are discussed at the meetings of the Remuneration Committee, the concerned party shall recuse himself/herself.

Article 25 The convening procedures, voting methods of the meetings of the Remuneration Committee and the remuneration policies and allocation proposals passed at the meetings must follow the provisions of relevant laws, administrative regulations, other normative documents, the Hong Kong Listing Rules, the Articles of Association and these terms of reference.

Article 26 The meetings of the Remuneration Committee shall have meeting minutes, which should include any concerns raised or dissenting views expressed by the directors. The preliminary drafts and final drafts of the meeting minutes shall be sent to all attending members within a reasonable period of time after the meeting, with the preliminary drafts for expressing opinions and the final drafts for record purposes. The members attending the meeting shall sign the meeting minutes; the minutes shall be kept by the Secretary of the Board and retained for a period of not less than 10 years during the existence of the Company.

Article 27 The proposals and voting results passed at the meetings of the Remuneration Committee shall be reported in writing to the Board of Directors.

Article 28 The members present at the meeting and persons attending in non-voting capacity shall be obliged to keep confidential matters discussed at the meeting, and shall not disclose relevant information without authorization.

CHAPTER VI ANNUAL GENERAL MEETING

Article 29 The chairman of this Committee must attend the annual general meeting of the Company, and prepare to answer any questions raised by any shareholders regarding the matters of the Remuneration Committee.

Article 30 If the chairman of this Committee cannot attend the annual general meeting of the Company, he/she must arrange another member of the Committee to attend the general meeting. Such person must be prepared to answer questions from shareholders concerning the work of this Committee at the annual general meeting.

CHAPTER VII SUPPLEMENTARY PROVISIONS

Article 31 Unless specifically stated otherwise, the terminology used in these terms of reference has the same meanings as those terms in the Articles of Association.

Article 32 In these terms of reference, “above” includes the given figure; “within” includes the given figure; “exceeding” and “below” do not include the given figure.

Article 33 For matters not covered in these terms of reference, the Company shall execute them in accordance with the provisions of relevant laws, administrative regulations, departmental rules and other normative documents, as well as the Hong Kong Listing Rules, the Articles of Association, the resolutions of the shareholders’ meeting of the Company or other relevant rules and systems; if these terms of reference conflict with the provisions of relevant laws, administrative regulations, the Hong Kong Listing Rules or the Articles of Association revised via legal procedures, they shall be executed in accordance with the provisions of relevant laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association.

Article 34 These terms of reference shall be formulated and amended by the Board of Directors, and the Board of Directors shall be responsible for interpretation.

Article 35 These terms of reference are considered and passed by the Board of Directors of the Company and shall come into effect and be implemented from the date on which the overseas listed foreign shares (H shares) of the Company’s initial public offering are listed and traded on The Stock Exchange of Hong Kong Limited.