



**HUAQIN CO., LTD.**  
**華勤技術股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 3296)**

**Terms of Reference of the Remuneration and Appraisal  
Committee of the Board of Directors**

**Chapter 1 General Provisions**

**Article 1** In order to further establish and enhance the appraisal and remuneration management rules for the directors (including non-independent directors) and senior management of Huaqin Co., Ltd. (hereinafter referred to as the “**Company**”) and improve its corporate governance structure, the Company has established a remuneration and appraisal committee (hereinafter referred to as the “**Remuneration and Appraisal Committee**”) of the board of directors (hereinafter referred to as the “**Board**”) and formulated these Terms of Reference pursuant to the Company Law of the People’s Republic of China, the Administrative Measures for Independent Directors of Listed Companies, 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 “**Hong Kong Listing Rules**”), the Articles of Association of Huaqin Co., Ltd. (hereinafter referred to as the “**Articles of Association**”) and other regulations.

**Article 2** The Remuneration and Appraisal Committee is a dedicated working body set up by the Board in accordance with a resolution of the shareholders’ general meeting, which is primarily responsible for preparing and reviewing the remuneration policies and programs for directors and senior management of the Company, and formulating the evaluation criteria for the directors and senior management of the Company and conducting the evaluation. It is accountable to the Board.

**Chapter 2 Composition**

**Article 3** Members of the Remuneration and Appraisal Committee shall consist of three directors, two of whom shall be independent directors. The term “independent director(s)” in these Terms of Reference shall have the same meaning as “independent non-executive director(s)” in the Hong Kong Listing Rules.

**Article 4** The members of the Remuneration and Appraisal Committee shall be nominated by the chairman of the Board, at least half of the independent directors or one-third of all the directors, and shall be elected by the Board.

**Article 5** The Remuneration and Appraisal Committee shall have one chairperson (convener), who shall be an independent director, and be responsible for presiding over the work of the committee. The chairperson shall be appointed by the Board from the members of the committee.

**Article 6** The term of office of the members of the Remuneration and Appraisal Committee shall be the same as that of the directors. Each member shall be eligible for re-election upon the expiry of his/her term of office. If any member ceases to be a director of the Company during his/her term of office, he/she shall automatically lose his/her qualification as a member of the Remuneration and Appraisal Committee, and the vacancy in the Remuneration and Appraisal Committee shall be filled by the committee in accordance with the abovementioned provisions.

**Article 7** The Remuneration and Appraisal Committee shall establish an evaluation group, which shall be especially responsible for providing the relevant information on the personnel to be appraised, preparing for the meetings of the Remuneration and Appraisal Committee and implementing the relevant resolutions approved by the Remuneration and Appraisal Committee.

### **Chapter 3 Duties and Authorities**

**Article 8** The Remuneration and Appraisal Committee shall be responsible for formulating the evaluation criteria for directors and senior management and conducting the evaluation, preparing and reviewing the remuneration policies and programs for directors and senior management, and making recommendations to the Board on the following matters:

- (I) the remuneration of directors and senior management;
- (II) reviewing and approving the management's remuneration proposals with reference to the corporate goals and objectives formulated by the Board;
- (III) considering salaries paid by comparable companies, time commitment, duties and employment conditions elsewhere within the Group;
- (IV) reviewing and approving compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and reasonable and not excessive for the Company;
- (V) reviewing and approving compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms, or are otherwise reasonable and appropriate;
- (VI) ensuring that none of the director and any of his/her associates (as defined under the Hong Kong Listing Rules) is involved in deciding that director's own remuneration;
- (VII) formulating and making amendments to equity incentive plans or employee shareholding schemes, and the conditions to be achieved for participants to be granted interests or to exercise interests; reviewing and/or approving matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules;
- (VIII) arranging share ownership schemes for directors and senior management in the subsidiaries proposed to be spun off;
- (IX) other matters as stipulated in the laws and regulations, the requirements of China Securities Regulatory Commission, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association and as authorized by the Board.

**Article 9** The Board shall have the right to veto any remuneration plan or scheme that harms the interests of the shareholders. If the Board has not adopted or has not fully adopted the recommendations of the Remuneration and Appraisal Committee, it shall record the opinions of the Remuneration and Appraisal Committee and the specific reasons for not adopting the same in a Board resolution, and make relevant disclosure.

**Article 10** The remuneration plans for directors of the Company proposed by the Remuneration and Appraisal Committee shall be approved by the Board, and then be considered and approved at a shareholders' general meeting before being implemented. The remuneration distribution plans for the Company's senior management shall be submitted to the Board for approval.

#### **Chapter 4 Decision-making Procedures**

**Article 11** The working group under the Remuneration and Appraisal Committee is in charge of making preliminary preparations for the decision-making process of the Remuneration and Appraisal Committee, and providing the following relevant information of the Company:

- (I) the fulfillment of the Company's key financial indicators and operational objectives;
- (II) the scope of work of the senior management of the Company and their main duties;
- (III) the accomplishment of indicators involved in the job performance appraisal system for directors and senior management;
- (IV) the business performance of directors and senior management in respect of their capabilities in business innovation and profit generation;
- (V) the basis for the relevant estimation of remuneration distribution plans and distribution methods of the Company.

**Article 12** The performance appraisal procedures of the Remuneration and Appraisal Committee for directors and senior management are as follows:

- (I) directors and senior management of the Company shall report their work and make self-appraisals to the Remuneration and Appraisal Committee;
- (II) the Remuneration and Appraisal Committee shall conduct performance appraisals for directors and senior management according to the performance appraisal standards and procedures;
- (III) the Remuneration and Appraisal Committee shall propose the amount of remuneration and the method of rewards for directors and senior management based on the results of job performance appraisals and the remuneration distribution policies, which shall be reported to the Board of the Company when approved.

## Chapter 5 Rules of Procedure

**Article 13** Meetings of the Remuneration and Appraisal Committee shall be convened at least twice every year. A notice of meeting shall be served to all members three days prior to the meeting. The meeting shall be chaired by the chairperson of the committee who, if unable to be present, may appoint another member (independent director) to chair the meeting.

**Article 14** The quorum for the meetings of the Remuneration and Appraisal Committee shall be at least two-thirds of all its members. Each member shall have one vote. Resolutions made at the meetings shall be passed by more than half of all committee members.

**Article 15** The voting may be made by a show of hands or by poll at the meetings of the Remuneration and Appraisal Committee. An extraordinary meeting may be convened by means of voting by correspondence.

**Article 16** Where the Remuneration and Appraisal Committee deems necessary, it may invite the directors and senior management of the Company to attend its meetings.

**Article 17** The Remuneration and Appraisal Committee may, if necessary, engage intermediaries to provide professional advice for its decisions at the cost of the Company.

**Article 18** A member of the Remuneration and Appraisal Committee shall avoid attending a meeting of the Remuneration and Appraisal Committee at which matters relating to himself/herself will be discussed.

**Article 19** The convening procedures and voting methods of meetings of the Remuneration and Appraisal Committee and the remuneration policies and distribution plans passed at the meetings shall meet the provisions of these Terms of Reference.

**Article 20** The Remuneration and Appraisal Committee shall maintain the minutes of meetings. All members attending the meetings shall sign on the minutes of meetings, which shall be kept by the Board office of the Company.

**Article 21** The resolutions passed at a meeting of the Remuneration and Appraisal Committee and the voting results thereof shall be submitted in writing to the Board of the Company.

**Article 22** All members attending a meeting of the Remuneration and Appraisal Committee are obligated to keep confidential the matters discussed thereat, and shall not disclose any relevant information without authorization.

## **Chapter 6 Supplementary Provisions**

**Article 23** These Terms of Reference shall be approved by a resolution of the Board and be implemented from the date on which H shares are issued by the Company and are listed on The Stock Exchange of Hong Kong Limited.

**Article 24** Matters not covered by these Terms of Reference shall be implemented in accordance with the provisions of the relevant laws and regulations of the State, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association. If these Terms of Reference contravene any laws and regulations promulgated by the State, 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 laws and regulations of the State, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association shall prevail. These Terms of Reference shall be immediately amended accordingly and submitted to the Board for consideration and approval.

**Article 25** These Terms of Reference shall be interpreted by the Board of the Company.

**Huaqin Co., Ltd.**

August 2025