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A 1 In order to further establish and improve the appraisal and remuneration management system for the directors and senior management of Shenzhen Senior Technology Material Co., Ltd. (the “ ”), and improve the corporate governance structure of the Company, the Company has established a Remuneration and Appraisal Committee under the Board of Directors and formulated these Terms of Reference in accordance with the Company Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “ ”) and other relevant laws and regulations, as well as the Articles of Association of Shenzhen Senior Technology Material Co., Ltd. (the “**A A** ”).

A 2 The Remuneration and Appraisal Committee is a special working body established by the Board of Directors pursuant to resolutions of the shareholders’ meeting, and is mainly responsible for studying the appraisal standards for the directors and senior management of the Company and conducting appraisals and making recommendations thereon; and for studying and reviewing the remuneration policies and proposals for the directors and senior management of the Company, and shall be accountable to the Board of Directors.

A 3 For the purpose of these Terms of Reference, “directors” refer to the chairman, vice chairman and directors of the Company who receive remuneration from the Company, and “senior management” refers to the senior management as prescribed in the Articles of Association.

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A 4 The Remuneration and Appraisal Committee shall comprise three directors, with independent directors constituting the majority (two members). The term “independent directors” in these Terms of Reference shall have the same meaning as “independent non-executive directors” under the Hong Kong Listing Rules.

A 5 Members of the Remuneration and Appraisal Committee shall be nominated by the chairman of the Board of Directors, not less than one-half of the independent directors, or one-third of all directors, and shall be elected by the Board of Directors.

A 6 The Remuneration and Appraisal Committee shall have one chairman (convener), who shall be an independent director member and shall be responsible for presiding over the work of the Committee. The chairman shall be elected from among the members and his/her appointment shall be subject to approval by the Board of Directors.

A , 7 The term of office of the Remuneration and Appraisal Committee shall be the same as that of the Board of Directors. Members may serve consecutive terms if re-elected upon expiry of their terms. Where the number of members of the Remuneration and Appraisal Committee falls below the required number due to resignation, removal or any other reason, the Board of Directors of the Company shall elect new members as soon as practicable in accordance with these Terms of Reference. Where the removal of an independent director results in the proportion of independent directors in the Remuneration and Appraisal Committee failing to comply with the requirements of laws and regulations or the Articles of Association, the Company shall complete the by-election within sixty days from the date of occurrence of the aforesaid event.

A , 8 The Remuneration and Appraisal Committee shall establish a working group, which shall be specifically responsible for providing information relating to the Company's operations and information relating to the persons being appraised, preparing meetings of the Remuneration and Appraisal Committee and implementing the relevant resolutions of the Remuneration and Appraisal Committee.

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A , 9 The Remuneration and Appraisal Committee shall exercise the following responsibilities and authorities:

(1) to formulate appraisal standards for directors and senior management and conduct appraisals;

(2) to review and approve management's remuneration proposals with reference to the corporate goals and objectives determined by the Board of Directors;

(3) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere within the Group;

(4) to formulate and review remuneration policies and proposals for directors and senior management, including remuneration determination mechanisms, decision-making procedures, payment arrangements and claw back arrangements;

(5) to review and approve compensation payable to executive directors and senior management in connection with any loss or termination of office or appointment, and to ensure that such compensation is determined in accordance with the relevant contractual terms; if not determined in accordance with the relevant contractual terms, the compensation shall also be fair and reasonable and not excessive for the Company;

(6) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with the relevant contractual terms; if not determined in accordance with the relevant contractual terms, the compensation shall also be reasonable and appropriate;

(7) to ensure that no director or any of his/her associates (as defined under the Hong Kong Listing Rules) is involved in deciding his/her own remuneration;

(8) to consider and/or approve matters relating to share schemes as described in Chapter 17 of the Hong Kong Listing Rules;

(9) to make recommendations to the Board of Directors on the following matters:

   (a) the remuneration and remuneration policies and proposals for directors and senior management; and to make recommendations to the Board of Directors on the overall remuneration policy and structure for directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;

   (b) formulation or amendment of equity incentive schemes and employee share ownership schemes, and the grant of entitlements to incentive participants and fulfilment of conditions for exercise of such entitlements;

   (c) arrangements for directors and senior management to participate in share schemes of subsidiaries proposed to be spun off; and

   (d) other matters prescribed by laws, administrative regulations, provisions of the China Securities Regulatory Commission and the Articles of Association.

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

A 10 The Board of Directors shall have the right to veto any remuneration plan or proposal which is detrimental to the interests of the shareholders.

A 11 The remuneration plans for directors of the Company proposed by the Remuneration and Appraisal Committee shall be submitted to the Board of Directors for approval and thereafter to the shareholders' meeting for consideration and approval before implementation. The remuneration proposals for the senior management of the Company shall be submitted to the Board of Directors for approval.

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A 12 The working group established under the Remuneration and Appraisal Committee shall be responsible for the preparatory work for the decision-making of the Remuneration and Appraisal Committee and shall provide relevant information of the Company for decision-making purposes.

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A 16 Meetings of the Remuneration and Appraisal Committee shall in principle be held on-site. Subject to ensuring that all participating directors are able to fully communicate and express their opinions, meetings may be held by video conference, telephone or other means. Voting at meetings of the Remuneration and Appraisal Committee may be conducted by a show of hands, by poll or by written resolutions.

A 17 Where necessary, directors and senior management of the Company may be invited to attend meetings of the Remuneration and Appraisal Committee.

A 18 Where necessary, the Remuneration and Appraisal Committee may engage intermediary institutions to provide professional advice for its decision-making, and the expenses incurred shall be borne by the Company.

A 19 Where matters relating to a member of the Committee are discussed at a meeting of the Remuneration and Appraisal Committee, the member concerned shall abstain from participation.

A 20 The convening procedures, voting methods and remuneration policies and distribution proposals approved at meetings of the Remuneration and Appraisal Committee shall comply with the relevant laws, administrative regulations, rules, normative documents, the Articles of Association and these Terms of Reference.

A 21 Minutes shall be kept for meetings of the Remuneration and Appraisal Committee, and the opinions of the independent directors shall be recorded in the minutes. Members attending the meeting shall sign the minutes. The minutes shall be kept by the secretary to the Board of Directors of the Company for a period of ten years.

A 22 Resolutions passed and voting results at meetings of the Remuneration and Appraisal Committee shall be reported to the Board of Directors of the Company in writing.

A 23 Members attending meetings shall be subject to confidentiality obligations in respect of matters discussed at the meetings and shall not disclose relevant information without permission.

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A 24 These Terms of Reference shall take effect upon approval by the Board of Directors and upon the issuance of H shares by the Company and the listing of such H shares on The Stock Exchange of Hong Kong Limited.

A 25 Any matters not covered by these Terms of Reference shall be implemented in accordance with the relevant laws of the State, administrative regulations, rules, normative documents and the Articles of Association. In the event that these Terms of Reference are inconsistent with any laws of the State, administrative regulations, rules, normative documents promulgated in the future or the Articles of Association as amended through lawful procedures, the relevant laws of the State, administrative regulations, rules, normative documents and the Articles of Association shall prevail, and these Terms of Reference shall be amended promptly and submitted to the Board of Directors for consideration and approval.

A 26 The right of interpretation of these Terms of Reference shall vest in the Board of Directors of the Company.

Board of Directors of
Shenzhen Senior Technology Material Co., Ltd.
June 2025