

# **SHENZHEN DOBOT CORP LTD**

## **TERMS OF REFERENCE FOR THE REMUNERATION AND APPRAISAL COMMITTEE OF THE BOARD OF DIRECTORS**

### **Chapter I General Provisions**

**Article 1** To further establish a sound remuneration and appraisal management system for the directors, general manager and other senior management members of SHENZHEN DOBOT CORP LTD (hereinafter referred to as the “Company”), and improve the corporate governance structure, the Company formulated these terms of reference in accordance with the Company Law of the People’s Republic of China (中華人民共和國公司法) (hereinafter referred to as the “Company Law”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules”) and other laws, regulations and normative documents, and the operating rules of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Stock Exchange”) and relevant provisions of the Articles of Association of SHENZHEN DOBOT CORP LTD (hereinafter referred to as the “Articles of Association”) with reference to the actual circumstances of the Company.

**Article 2** The Remuneration and Appraisal Committee and its members shall comply with the provisions of laws, regulations, normative documents, the Listing Rules, the Articles of Association and these terms of reference in good faith and sincerity.

### **Chapter II Composition of the Remuneration and Appraisal Committee**

**Article 3** The Remuneration and Appraisal Committee is accountable to the board of directors. All of its members shall be directors. The majority of members of the Remuneration and Appraisal Committee shall be independent non-executive directors.

**Article 4** The Remuneration and Appraisal Committee shall have one chairman, who shall be the convener of the Remuneration and Appraisal Committee. The Remuneration and Appraisal Committee shall be chaired by an independent non-executive director.

**Article 5** The terms of office of members of the Remuneration and Appraisal Committee shall be consistent with those of directors, and the members may be re-elected upon the expiration of the terms. If any member ceases to serve as a director of the Company during the term, he/she shall cease to be a committee member automatically, and the vacancy in the committee shall be filled by the board of directors in accordance with the provisions of these terms of reference.

### **Chapter III Duties of the Remuneration and Appraisal Committee**

**Article 6** The primary duties of the Remuneration and Appraisal Committee are as follows:

- (I) to make recommendations to the board of directors on the Company's policy and structure for all directors' and senior management members' remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (II) to review and approve the management's remuneration proposals with reference to the board of directors' corporate goals and objectives;
- (III) to determine, with delegated responsibility by the board of directors, the remuneration packages of individual executive directors and senior management members, or make recommendations to the board of directors on the remuneration packages of individual executive directors and senior management members. This shall include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (IV) to make recommendations to the board of directors on the remuneration of non-executive directors;
- (V) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (VI) to review and approve compensation payable to executive directors and senior management members for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and otherwise fair and not excessive;
- (VII) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and otherwise reasonable and appropriate;
- (VIII) to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration; and
- (IX) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules;
- (X) to develop remuneration plan or proposal based on the primary scope, duties and responsibilities, importance of managerial positions of directors and senior management members as well as the remuneration level of relevant positions in society;

- (XI) remuneration plans or proposals mainly include but not limited to performance appraisal standards, procedures and key appraisal systems, major schemes and systems for rewards and punishments, etc.;
- (XII) to assess the fulfillment of duties and responsibilities by independent non-executive directors and senior management members of the Company and to assess their annual performance;
- (XIII) to oversee the implementation of remuneration system of the Company;
- (XIV) to deal with other matters delegated by the board of directors.

The Remuneration and Appraisal Committee shall advise on the service contracts that require the approval of the shareholders, notify shareholders of whether relevant terms are fair and reasonable and whether such contracts are in the interest of the Company and its shareholders as a whole, and advise on the procedures for shareholders (except for the shareholders who are directors and have material interest in such service contracts as well as their associates) to vote. The director shall not be a member of the independent non-executive board committee if he/she has a significant interest in any such contracts.

**Article 7** The Remuneration and Appraisal Committee may, if necessary, engage an intermediary to provide professional advice on its decision-making with reasonable cost to be borne by the Company.

**Article 8** The Remuneration and Appraisal Committee is accountable to the board of directors. The resolutions falling within the terms of reference of the Remuneration and Appraisal Committee shall be considered and approved by the Remuneration and Appraisal Committee and a work report shall be formed before being submitted by the Remuneration and Appraisal Committee to the board of directors for consideration.

**Article 9** The primary duties of the chairman of the Remuneration and Appraisal Committee are as follows:

- (I) to convene and preside over regular meetings of the Remuneration and Appraisal Committee;
- (II) to convene extraordinary meetings of the Remuneration and Appraisal Committee under exceptional circumstances;
- (III) to supervise and review the implementation of resolutions of the Remuneration and Appraisal Committee;
- (IV) other duties as delegated by the board of directors and the Remuneration and Appraisal Committee.

**Article 10** The Remuneration and Appraisal Committee shall make recommendations to the board of directors on the following matters:

- (I) the remuneration of the directors and senior management;
- (II) the establishment of or change to share incentive schemes, employee stock ownership plans, and conditions for eligible participants to be granted with and to exercise interests;
- (III) the arrangement of stock ownership plans for directors and senior management members in proposed spin-off subsidiaries;
- (IV) other matters required by laws, administrative regulations, regulations of the China Securities Regulatory Commission (“CSRC”), regulations of the Securities and Futures Commission of Hong Kong, the Listing Rules and the Articles of Association.

If the board of directors does not adopt the recommendations of the Remuneration and Appraisal Committee in full or in part, it shall record the opinions of the Remuneration and Appraisal Committee and the specific reasons for not adopting them in the board resolutions for disclosure.

**Article 11** When the chairman of the Remuneration and Appraisal Committee is unable to perform his/her duties for any reason, he/she shall delegate another member to act on his/her behalf.

#### **Chapter IV Terms of Reference for the Remuneration and Appraisal Committee**

**Article 12** The members of the Remuneration and Appraisal Committee shall have the right to propose the convening of meetings, which shall be convened by the chairman within ten days upon receipt of the proposal and notify all members three days before the convening of the meeting. A meeting may also be convened at any time with unanimous consent by all members.

**Article 13** The meetings of the Remuneration and Appraisal Committee shall be presided over by the chairman. Where the chairman is unable to preside over the meeting, it may also be presided over by another member, who is an independent non-executive director, or by a member elected by more than half of all committee members present at the meeting.

**Article 14** The quorum of a meeting of the Remuneration and Appraisal Committee shall be two-thirds or more of the members. Each member has one vote. A resolution of the meeting must be passed by more than half of all members.

**Article 15** The voting at the meetings of the Remuneration and Appraisal Committee shall be carried out by show of hands or by poll. The meeting may also be convened by telecommunication means.

**Article 16** The secretary of the board of directors may attend the meetings of the Remuneration and Appraisal Committee. Other directors, members of the Audit Committee and senior management members of the Company may be invited to attend the meetings when necessary.

**Article 17** All members present at the meeting are obliged to keep all matters discussed at the meeting confidential, and shall not disclose the relevant information without authorization.

**Article 18** Members shall attend the meetings of the Remuneration and Appraisal Committee in person. If a member is unable to attend for any reason, he/she may appoint another member in writing to attend on his/her behalf. Where a member has failed to attend or appoint a proxy to attend a meeting of the Remuneration and Appraisal Committee, he/she shall be deemed to have waived his/her right to vote at such meeting.

**Article 19** The convening procedures and voting methods of the meetings of the Remuneration and Appraisal Committee as well as resolutions passed thereat must comply with the provisions of relevant laws and regulations, the Articles of Association and these terms of reference.

**Article 20** The Remuneration and Appraisal Committee shall keep minutes for its meetings. The minutes shall be signed by members present at the meetings and the recorder. The minutes shall be maintained by the secretary of the board of directors for a period of not less than ten years.

**Article 21** The resolutions passed and the results of a poll taken at meetings of the Remuneration and Appraisal Committee shall be reported in writing to the board of directors of the Company.

## **Chapter V Supplementary Provisions**

**Article 22** For any matters that are not covered in these terms of reference or if these terms of reference conflict with relevant laws, regulations and the Articles of Association, the relevant laws, regulations or the Articles of Association shall prevail.

**Article 23** “More than”, “or more” and “within” referred to in these terms of reference include the relevant number, and “exceed” and “less than” do not include the relevant number.

**Article 24** These terms of reference shall take effect and be implemented from the date when they are approved by a resolution of the board of directors. These terms of reference shall be interpreted by the board of directors of the Company.

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