

**Terms of Reference for the Remuneration  
and Assessment Committee of the Board of  
Directors of Fuyao Glass Industry Group Co., Ltd.**

**(First Amendments in 2025)**

**Chapter 1 General Provisions**

**Article 1** In order to establish and improve the performance appraisal and evaluation system of the directors and senior management of Fuyao Glass Industry Group Co., Ltd. (hereinafter referred to as the “Company” ), develop a scientific and effective remuneration management system and implement the talent development and utilization strategy of the Company, the remuneration and assessment committee of the board of directors (hereinafter referred to as the “Remuneration Committee” ) has been set up by Company's board of directors as a special committee to propose and manage the remuneration plan of senior human resources of the Company and assess the performance of directors and senior management.

**Article 2** In order to ensure the standardized and efficient operation of the Remuneration Committee, the Company's board of directors has formulated the Terms of Reference in accordance with the Company Law of the People’s Republic of China, the Measures for Administration of Independent Directors of Listed Companies published by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC” ), Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Self - Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 - Standardised Operation issued by the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules” ), together with the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the “Listing Rules” ) published by The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Stock Exchange” ) and other relevant laws, regulations and regulatory documents, as well as relevant provisions of the Articles of Association of Fuyao Glass Industry Group Co., Ltd. (hereinafter referred to as the “Articles of Association” ).

**Article 3** Resolutions made by the Remuneration Committee shall comply with the provisions of relevant laws, regulations, regulatory documents, the Articles of Association,

Hong Kong Listing Rules and the Terms of Reference. If any resolution considered and approved by the Remuneration Committee is in violation of the provisions of relevant laws, regulations, the Articles of Association, Hong Kong Listing Rules and the Terms of Reference, the resolution shall be valid.

If the decision-making procedure of the Remuneration Committee is in violation of the provisions of relevant laws, regulations, the Articles of Association, Hong Kong Listing Rules or the Terms of Reference, relevant interested parties may require the board of directors to revoke the resolution within 60 days after the date of the resolution.

## **Chapter 2 Composition**

**Article 4** The Remuneration Committee shall be composed of three directors, more than half of whom shall be independent directors. The members of the Remuneration Committee shall be elected by the board of directors.

**Article 5** The Remuneration Committee shall have one chairman, who shall be an independent director. The chairman of the Remuneration Committee shall be elected from the members and approved by the board of directors.

The chairman of the Remuneration Committee shall be responsible for convening and presiding over meetings of the Remuneration Committee. If the chairman of the Remuneration Committee fails or is unable to perform his duties, another committee member shall be designated by him to act on his behalf. If the chairman of the Remuneration Committee neither performs his duties nor designates another member to act on his behalf, any member may report to the board of directors, by whom a member of the Remuneration Committee may be designated to fulfill the duties of the chairman.

**Article 6** A member of the Remuneration Committee shall meet the following requirements:

(1) not being prohibited to act as a Director, senior management of the Company under applicable laws, regulations, listing rules of the places where the Company's shares are listed or the Articles of Association;

(2) not subject to any publicly announced stock exchange determination of being unfit to serve as a director or senior manager, whose prescribed period has not yet expired.

(3) not subject to any CSRC market ban prohibiting the role of a director or senior manager of a listed company, which is still in effect.

(4) with good ethics and behavior and having expertise or working experience regarding human resources management, corporate management, finance, laws and other relevant fields;

(5) satisfying other conditions as stipulated by applicable laws, regulations, listing rules of the places where the Company's shares are listed or the Articles of Association.

**Article 7** The one who does not conform to the qualifications prescribed in the preceding article shall not be elected as a member of the Remuneration Committee. A member of the Remuneration Committee who does not conform to the qualifications prescribed in the preceding article during his term shall resign or be replaced by the board of directors.

**Article 8** The term of office for a member of the Remuneration Committee shall be concurrent with the term of his directorship. Prior to the expiry of the term of office of a member of the Remuneration Committee, the Company may remove him/her from his/her office through statutory procedures. In the event of early dismissal, the Company shall disclose the specific reasons and basis for such dismissal in a timely manner. The Company shall disclose in a timely manner any dissenting views of the members of the Remuneration Committee.

If a member of the Remuneration Committee ceases to be a director of the Company during his/her term of office, he shall automatically lose his/her qualification as a member of the Remuneration Committee, and the Board of Directors shall make up the number of members of the Remuneration Committee in accordance with the provisions.

In the event that a member of the Remuneration Committee who is an independent director resigns as an independent director or a member of the Remuneration Committee, which will result in the proportion of independent directors in the Remuneration Committee not complying with the provisions of the Measures for Administration of Independent Directors of Listed Companies or the Articles of Association or will result in the absence of accounting professionals in the independent directors of the Company, such independent director who intends to resign shall continue to perform his/her duties until a new independent director or new member of the Remuneration Committee is appointed.

**Article 9** Where the number of members of the Remuneration Committee is less than the required number of members of the Remuneration Committee due to the resignation or removal of members or other reasons, the board of directors of the Company shall elect new members in accordance with the provisions of applicable laws, regulations and listing rules of the place where the Company's shares are listed in a timely manner.

**Article 10** The requirements of the applicable laws, regulations, listing rules of the places where the Company's shares are listed and the Articles of Association on obligations of directors are applicable to members of the Remuneration Committee.

### **Chapter 3 Terms of Reference**

**Article 11** The Remuneration Committee is a special committee under the board of directors, which shall report to and hold responsibility for the Board. The Remuneration Committee is responsible for formulating assessment standards for directors and senior

management and conducting the assessment, formulating and reviewing the remuneration policies and plans for directors and senior management, and making recommendations to the board of directors on the following matters:

- (1) remuneration of directors and senior management;
- (2) the formulation or change of equity incentive scheme, employee shareholding plan, granting of interests to participants, fulfilment of conditions for the exercise of interests;
- (3) arrangement of shareholding plans by directors and senior management in subsidiaries to be spun off;
- (4) other matters prescribed by laws, administrative regulations, the securities regulatory authorities of the place where the Company's shares are listed, as well as the stock exchange where the Company's shares are listed and the Articles of Association.

If the board of directors does not adopt or does not completely adopt the recommendations of the Remuneration Committee, it shall record the opinion of the Remuneration Committee and the specific reasons for non-adoption in a resolution of the board of directors and disclose the same.

**Article 12** The duties and powers of the Remuneration Committee shall include:

- (1) to make recommendations to the board of directors on the remuneration policies and structure for all directors and senior management of the Company, as well as the establishment of a formal and transparent procedure for developing remuneration policies;
- (2) to review and approve the management's remuneration proposals with reference to the Board's corporate targets and objectives;
- (3) to make recommendations to the board of directors on the remuneration packages of individual executive directors and senior management;
- (4) to make recommendations to the board of directors on the remuneration packages of non-executive directors;
- (5) to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the group;
- (6) to review and approve compensations payable to the executive directors and senior management for any loss or termination of office or appointment to ensure that they are consistent with contractual terms entered into between the Company and them and are otherwise fair and not excessive;
- (7) to review and approve the compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with the contractual terms and are otherwise reasonable and appropriate;
- (8) to ensure that no director or any of his associates (as defined in Hong Kong Listing Rules) is involved in deciding his own remuneration;

(9) to make recommendations to the board of directors on the formulation or change of equity incentive scheme, employee shareholding plan, granting of options to participants, fulfilment of conditions for the exercise of options, and the directors' service contract in accordance with the requirements of relevant laws, regulations or regulatory documents;

(10) to manage the share incentive scheme of the Company;

(11) to review the qualification of grantees and conditions for granting and exercising of the Company's share incentive scheme;

(12) to review the performance of duties of directors and senior management of the Company and to evaluate their annual performance;

(13) to make recommendations to the board of directors on the arrangement of shareholding plans for directors and senior management in the subsidiaries to be spun off;

(14) other matters prescribed by laws and regulations, the securities regulatory authorities of the place where the Company's shares are listed, as well as the stock exchange where the Company's shares are listed and the Articles of Association, and other matters authorized by the board of directors of the Company.

**Article 13** When the Remuneration Committee exercise its Terms of Reference, it shall comply with relevant requirements of applicable laws, regulations, listing rules of the places where the Company's shares are listed, the Articles of Association and the Terms of Reference, and shall not damage the lawful interests of the Company and its shareholders.

**Article 14** The remuneration policies or remuneration schemes of directors proposed by the Remuneration Committee shall be submitted to the general meeting for consideration and approval after obtaining the consent from the board of directors.

**Article 15** The remuneration policies or remuneration schemes of senior management proposed by the Remuneration Committee shall be submitted to the board of directors for consideration and approval.

**Article 16** The equity incentive scheme formulated by the Remuneration Committee shall be approved by the general meeting of the Company.

**Article 17** The resolutions proposed by the Remuneration Committee shall be submitted to the board of directors or the general meeting for approval.

**Article 18** The Company shall provide sufficient resources and relevant department of the Company shall provide support for the Remuneration Committee to perform its duties, with the charges reimbursed by the Company.

## **Chapter 4 Convening and Notices of Meet**

**Article 19** Meetings of the Remuneration Committee fall into two categories: regular meetings and extraordinary meetings.

The Remuneration Committee shall hold at least one regular meeting during each financial year, which shall be convened within 4 months upon conclusion of the previous accounting year.

An extraordinary meeting of the Remuneration Committee may be requested by directors of the Company, the chairman of the Remuneration Committee or at least two of its members jointly.

**Article 20** The Remuneration Committee may discuss any matters within its Terms of Reference and that are set out in notices of meetings.

**Article 21** In principle, meetings of the Remuneration Committee shall be held in the form of physical meeting. Under the premise of ensuring that all participating members can fully communicate and express their opinions, meetings may be convened by video, telephone or other means in accordance with the procedures when necessary. In case of a meeting by telecommunication means, members signing on the resolutions of meetings shall be considered to be present at such meetings and agree with such resolutions.

**Article 22** To hold a meeting of the Remuneration Committee, all members of the Nomination Committee shall be notified of the convening of such meeting three days prior to the meeting in principle. The aforesaid notice period requirement may be waived with the unanimous consent of all members of the Nomination Committee.

In the case of an urgency where it is necessary to convene a meeting of the Remuneration Committee as soon as practicable, the chairman of the Remuneration Committee may at any time give notice of the meeting by telephone or other verbal means (not subject to the above period requirement of giving at least 3 days' notice in advance), provided that the convener shall give an explanation at the meeting.

**Article 23** The secretary of the board of directors of the Company is responsible for delivering notices of the Remuneration Committee meetings subject to the deadline stated in the previous article once a meeting is decided to be convened by the chairman of the Remuneration Committee.

**Article 24** Notices of the Remuneration Committee meetings shall include at least the following information:

- (1) time and venue of the meeting;
- (2) duration of the meeting;
- (3) topics to be discussed at the meeting;
- (4) contact person and contact details;
- (5) date of notice of the meeting.

**Article 25** To hold a meeting of the Remuneration Committee, the Company

shall, in principle, provide relevant information to all members of the Remuneration Committee no later than 3 days prior to the convening of the Remuneration Committee meeting. The aforesaid deadline requirement may be waived with the unanimous consent of all members.

**Article 26** When the notice is delivered by e-mail, telephone or other methods, parties being notified shall be deemed to have received the notice of the meeting if no written objection is received from them within 2 days from the date of delivery of the notice.

## **Chapter 5 Consideration and Voting Procedures**

**Article 27** The Remuneration Committee meetings shall be held by at least two-thirds of the members present at the meeting. Directors of the Company may attend the Remuneration Committee meetings, but those who are not members of the Remuneration Committee do not have voting rights on resolutions proposed at the meeting.

**Article 28** Members of the Remuneration Committee may attend the meetings in person or by appointing other members as their proxies and exercise the voting right on their behalves. Each member of the Remuneration Committee shall appoint only one other member as his proxy to exercise the voting right on his behalf. Where any member appoints two or more members to exercise the voting right on his behalf, such appointment shall be deemed invalid.

An independent director who is a member of the Remuneration Committee shall attend the meetings of the Remuneration Committee in person. If he is unable to attend the meeting in person for any reason, he shall review the meeting materials in advance, form a clear opinion and appoint in writing another member of the Remuneration Committee who is an independent director to attend the meeting on his/her behalf. In performing their duties, members of the Remuneration Committee who are independent directors may, in accordance with the procedures, submit to the Remuneration Committee for discussion and deliberation in a timely manner any significant matters of the Company within the scope of the Terms of Reference of the Remuneration Committee.

**Article 29** Any member of the Remuneration Committee who appoints another member to attend the meeting and exercise voting right on his behalf shall submit a power of attorney to the presider of the meeting. The power of attorney shall be submitted to the presider of the meeting no later than the voting of the meeting.

**Article 30** The power of attorney shall be signed by both of the appointer and proxy, and shall at least include the following information:

- (1) name of the appointer;

(2) name of the proxy;

(3) matters entrusted;

(4) instructions as to how to exercise the voting rights on topics of the meeting (for, against or abstain) and, in the absence of specific instructions, descriptions on if the proxy may vote at his discretion;

(5) expiry date of the power of attorney;

(6) date of signing of the power of attorney.

**Article 31** A member of the Remuneration Committee who does not attend a meeting in person nor appoint another member to attend on his behalf shall be considered to give up the voting right at the meeting.

Should a member fail to attend the meetings of the Remuneration Committee twice in a row in person or appoint another member to attend on his behalf, he shall be deemed to be unable to carry out his duties and the Board may revoke his membership.

**Article 32** Resolutions made by the Remuneration Committee shall not be valid unless passed by more than half of all members voting thereon. Each member shall be entitled to one vote when voting at the Remuneration Committee meeting.

**Article 33** Proposals on each of the topics shall be considered after the president of the Remuneration Committee announces the opening of the meeting.

**Article 34** The Remuneration Committee members may have a free discussion on topics considered at the meetings, but order shall be preserved. No speaker shall use any offensive or other threatening or insulting language. The president of the meeting has the right to decide the time for discussion.

**Article 35** Items proposed at the Remuneration Committee meeting are subject to collective consideration and voting on a case by case basis, i.e. all the proposals are considered by all members present and then are put to the vote one by one according to the order of consideration.

**Article 36** The Remuneration Committee may, if considered necessary, invite other persons in connection with the proposals to attend the meeting to provide detailed information or express their opinions. Those who are not members of the Remuneration Committee, however, do not have voting rights on the proposals.

**Article 37** Members present at the meeting shall consider the proposals and give full expression of their personal opinions with a conscientious and responsible attitude; members shall be responsible for their own votes.

**Article 38** The Remuneration Committee meeting may carry out voting by open ballot or a show of hands, but where any member requires the voting to be held by ballot, it shall be held by ballot.



The voting intent of a member may be pro, con or abstention. Every attending member shall choose one out of the aforesaid intents. Where any member does not make any option or makes two or more options, the presider shall require the said member to make an option again, otherwise the said member shall be deemed as having abstained from voting; any members who has left the meeting midway without coming back and has not made any option shall be deemed as having abstained from voting.

**Article 39** For voting by open ballot, after voting of the attending members, the clerk shall responsively collect and count ballots cast by the members. Where the meeting is held onsite, the chairman shall announce the statistic result onsite; in other circumstances, the presider shall require the secretary of the board of directors to notify the members of the voting result before the next workday after the prescribed voting deadline.

The ballots cast by the members after the presider announces the voting result or after the prescribed voting deadline shall not be counted.

## **Chapter 6 Resolutions and Minutes of Meetings**

**Article 40** Each proposal on which a prescribed number of valid votes are cast becomes a resolution of the Remuneration Committee upon announcement by the presider of the meeting. Resolutions of the Remuneration Committee come into effect upon signature by members present at the meeting.

No change or alteration shall be made to the resolutions of Remuneration Committee that have become effective without going through the legitimate procedure as required by applicable laws, regulations, listing rules of places where the Company' s shares are listed, the Articles of Association and the Terms of Reference.

**Article 41** Chairperson of the Remuneration Committee or secretary of the board of directors of the Company shall report details of the resolutions to the board of directors of the Company no later than the date immediately after such resolutions come into effect.

**Article 42** Members of the Remuneration Committee who participate in the voting on a resolution shall be jointly liable for compensation to the loss of the Company, should such resolution is in violation of applicable laws, regulations, listing rules of places where the Company' s shares are listed or the Articles of Association. However, if a member is proven to have cast their votes against such resolution and stated specific reasons therefor and it was so recorded in the meeting minutes, he may be exempted from the liabilities.

**Article 43** In the process of implementing resolutions passed at the Remuneration Committee meetings, the chairman of the Remuneration Committee or another member designated by him shall conduct follow-up inspection on the implementation of the resolutions, and may request and urge the persons concerned to remedy the identified breach of resolutions. Should the persons

concerned refuse to remedy, the chairman of the Remuneration Committee or the member designated by him shall report to the board of directors for handling.

**Article 44** The Remuneration Committee shall maintain written meeting minutes on which members present and the minutes taker shall sign their names. Members present shall have the right to request explanatory remarks on his speech at the meeting to be written down in the minutes.

**Article 45** Minutes of the Remuneration Committee meetings shall include at least the following information:

- (1) date and venue of the meeting and name of the convener;
- (2) names of attendees, with special notes added for proxies;
- (3) agenda of the meeting;
- (4) highlights of members' speeches;
- (5) way of voting on each item or proposal and voting results (numbers of votes for and against and the number of votes to abstain shall be set out);
- (6) other matters that shall be explained or stated in meeting minutes.

Drafts and final versions of minutes of meetings shall have been sent to all members of the Remuneration Committee for their comments and records respectively, in both cases within a reasonable time after the meetings.

**Article 46** Archives of Remuneration Committee meetings, including notices of meetings, meeting materials, meeting attendance books, power of attorney for proxy members, votes, meeting minutes signed by the attending members and resolutions adopted at the meetings etc., shall be kept by the secretary of the board of directors archives of Remuneration Committee meetings shall be kept for 10 years.

**Article 47** Before announcement of the resolutions by the Company in accordance with the legal procedure, the attending members, other attendants, and the recording and service personnel shall fulfill confidentiality obligation to the contents of resolutions.

## **Chapter 7 Rules of Abstention**

**Article 48** Where a member of the Remuneration Committee or his close relatives and other entity controlled by the member of the Remuneration Committee and his close relatives and the other affiliated/connected person of the member of committee has direct or indirect interest in the agenda discussed at the meeting, such member shall disclose the nature and extent of such interest to the committee as soon as possible.

The term "close relatives" as referred to in the previous clause shall include spouse, parents, children aged 18 or above and their spouses, brothers and sisters and their spouses, spouse's parents, brothers and sisters, children's spouses' parents. Connected

persons under the previous paragraph have the same definition as that of the Hong Kong Listing Rule.

**Article 49** Under such circumstances as set forth in the previous article, the interested member shall give a detailed account of the relevant circumstances at the Remuneration Committee meeting and state clearly that he will voluntarily abstain from voting. However, if the other members of the Remuneration Committee consider that such interest is not significant, the interested member may participate in the voting.

In the event that the interested member has voted and the Board considers it inappropriate, the Board may revoke the voting results, and require the other members of the Committee to vote again on the relevant proposals.

**Article 50** The Remuneration Committee shall review the proposals and come to a resolution without counting the interested member in the quorum. In the event that there is no quorum after not including the interested member in the quorum, all members (including the interested member) shall resolve on procedural issues to have the proposals determined by the board of directors of the Company, and the proposals will then be submitted to the board of directors of the company for consideration.

**Article 51** The minutes and resolutions of the Remuneration Committee meetings shall specify that the interested member has abstained from voting.

## **Chapter 8 Performance Evaluation**

**Article 52** The members of the Remuneration Committee may keep necessary track of relevant situations of duties, results and work performance of directors and senior management when the meeting of the Remuneration Committee is not in session, relevant departments shall actively cooperate with the Remuneration Committee and provide the required information to the Remuneration Committee in a timely manner.

**Article 53** The members of Remuneration Committee are entitled to access the following relevant information:

- (1) annual business scheme, investment scheme and business goals of the Company;
- (2) regular reports and extraordinary reports of the Company;
- (3) audit reports, financial statements and other financial and accounting information of the Company;
- (4) various management systems of the Company;
- (5) resolutions and minutes of the general meetings, board meetings, meetings of the office of the general manager;
- (6) The scope of functional responsibilities and primary duties of the directors and senior managers;

- (7)The fulfillment status of the performance targets for the directors and senior managers;
- (8)The underlying calculation basis for formulating the company's compensation distribution plans and methods according to the company's performance;
- (9)the relevant materials.

**Article 54** Members of the Remuneration Committee could raise any questions or inquiries in respect to any issue to any director and senior management, whereupon the director and senior management shall answer or explain the questions or inquiries timely.

**Article 55** Members of the Remuneration Committee shall evaluate performance indicators, remuneration scheme and remuneration level in accordance with their understanding of the information of the conditions, combined with the completion of business targets of the Company and with the reference of other relevant factors.

**Article 56** Members of Remuneration Committee shall be obliged to keep the corporate information acquired confidential prior to the disclosure of such information according to the legal procedures by the Company.

## **Chapter 9 Supplementary Provisions**

**Article 57** In the Terms of Reference, Non-independent directors refer to other directors excluding independent directors of the board of directors of the Company.

In the Terms of Reference, senior management refers to general manager, vice general manager, secretary of the board of directors and chief financial officer of the Company.

**Article 58** In the Terms of Reference, “no less than” , “no more than” includes the number itself, while “more than” , “less than” does not include the number itself.

**Article 59** Any matter not covered in the Terms of Reference shall be subject to relevant national laws, regulations, rules, regulatory documents and the provisions of the securities regulatory authorities in the place where the Company's shares are listed, the stock exchange on which the Company's shares are listed and the Articles of Association.

In the event of any inconsistency between the Terms of Reference and any future laws or regulations issued or amended by the State, or any rules, regulatory documents, business rules, etc. issued or amended by the securities regulatory authorities in the place where the Company's shares are listed, or by the stock exchange on which the Company's shares are listed, the Company shall comply with the provisions of the relevant laws, regulations, rules, regulatory documents, business rules, etc.

**Article 60** The Terms of Reference shall be interpreted by the board of director. The interpretation text of the Terms of Reference shall have the same effect as the Terms of Reference after being reviewed and approved by the board of directors of the Company.

**Article 61** The Terms of Reference shall come into effect on the date of consideration and approval by the board of directors of the Company, and the same shall apply to any amendments thereto. Once the Terms of Reference become effective, the original Terms of Reference for the Remuneration Committee of the Board of Directors (First Amendments in 2024) shall automatically lapse.