

# **HISENSE HOME APPLIANCES GROUP CO., LTD.**

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

(Considered and adopted at the 2025 third extraordinary meeting of the twelfth session of the board of directors of the Company on 30 May 2025)

### **Chapter 1 General Provisions**

- Article 1.** In order to further establish a comprehensive system for the appraisal and remuneration management for the directors and senior management of the Company and improve corporate governance structure, the Company has specially established a remuneration and appraisal committee (the “**Remuneration and Appraisal Committee**”) under the board of directors (the “**Board**”) and formulated these rules pursuant to The Company Law of the People’s Republic of China, Code of Corporate Governance for Listed Companies in China, Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, and the Self-Regulatory Guidelines No. 1 for Listed Companies on the Shenzhen Stock Exchange - Standardized Operation of Main Board Listed Companies and other relevant provisions, and the requirements of the Articles of Association.
- Article 2.** The Remuneration and Appraisal Committee is a specialized working body established under the Board, which shall be responsible to the Board and perform its duties in accordance with the Articles of Association and the authorization of the Board.
- Article 3.** For the purposes of these rules, "directors" shall mean directors who receive remuneration from the Company, and "senior management"

shall mean the President, Vice President, Board Secretary, Chief Financial Officer, and other senior management appointed by the Board

## **Chapter 2 Composition**

**Article 4.** The Remuneration and Appraisal Committee shall consist of five directors, three of whom shall be independent directors.

**Article 5.** The members of the Remuneration and Appraisal Committee shall be nominated by the chairman, one-half or more of the independent directors or one-third or more of the directors and shall be elected by the Board.

**Article 6.** The Remuneration and Appraisal Committee shall have one chairman (convener), who must be an independent director and shall lead the work of the committee. The convener shall be elected among the committee members and shall be reported to the Board for approval.

**Article 7.** The term of office of the Remuneration and Appraisal Committee members shall be consistent with their term as directors on the Board. If any member ceases to serve as a director of the Company during their term, they shall automatically lose their committee membership. The Board shall fill the vacancy in the Committee by following the provisions of Article 4 to 6 above.

Where the resignation of an independent director will cause the proportion of independent directors on the Remuneration and Appraisal Committee to fail to meet the requirements, the resigning independent director shall continue to perform their duties until the date when a new independent director assumes office. The Company shall complete the by-election of independent directors within 60 days from the date of the resignation.

**Article 8.** The remuneration management department of the Company shall assist in managing the daily work of the Remuneration and Appraisal Committee.

### **Chapter 3 Duties and Authority**

**Article 9.** The Remuneration and Appraisal Committee shall be responsible for establishing evaluation criteria for the Company's directors and senior executives, conducting assessments, formulating and reviewing remuneration policies and schemes for directors and senior executives, and making recommendations to the Board on the following matters:

- (i) remuneration of directors and senior executives;
- (ii) the formulation or modification of share-based incentive plans and employee share ownership plans, the granting of rights and interests to incentive participants and the fulfillment of conditions for the exercise of such rights and interests;
- (iii) shareholding plans for directors and senior executives in the proposed spin-off of subsidiaries;
- (iv) other matters as specified by laws and regulations, relevant rules of the Shenzhen Stock Exchange, and the Articles of Association.

If the Board does not adopt or only partially adopts the recommendations of the Remuneration and Appraisal Committee, it shall record the Committee's opinions and the specific reasons for non-adoption in the Board's resolution and disclose such information.

**Article 10** The Board shall have the power to reject remuneration plans or programmes that are detrimental to the interests of the Company and its shareholders.

**Article 11.** The Remuneration and Appraisal Committee shall consult the chairman and/or chief executive about the remuneration proposals for other executive directors. The remuneration plan recommended by

the Remuneration and Appraisal Committee shall only be implemented after it has been reported to the Board for approval and considered and approved by the shareholders at the general meeting. The remuneration proposal for the senior management of the Company shall be reported to the Board for approval.

#### **Chapter 4 Decision-making Process**

**Article 12.** The processes for the appraisal of the directors and senior management by the Remuneration and Appraisal Committee are as follows:

(i) the directors and senior management of the Company shall report their work and conduct self-evaluation to the Remuneration and Appraisal Committee;

(ii) the Remuneration and Appraisal Committee shall conduct performance appraisal on the directors and senior management according to the standard and process for performance appraisal;

(iii) the committee shall make recommendations on the amount of remuneration and method of rewards to the directors and senior management according to the results of performance appraisal and the remuneration policy, which shall be put to voting by members and reported to the Board upon approval.

#### **Chapter 5 Rules for Proceedings of Meeting**

**Article 13** The Remuneration and Appraisal Committee shall convene a meeting at least once a year, which shall be chaired by the convenor, who may delegate the chairmanship to another member if the convenor is unable to attend.

**Article 14.** Meetings of the Remuneration and Appraisal Committee shall only be held when two-thirds or more of the members are present. Each member shall have one vote. Resolutions made at the meeting shall be

passed by more than half of all members.

**Article 15.** Remuneration and Appraisal Committee meetings shall, in principle, be held in person. Provided that all participating members can fully communicate and express their views, meetings may, when necessary, be convened by video conference, telephone, or other means in accordance with the prescribed procedures.

**Article 16.** Voting at Remuneration and Appraisal meetings shall be by show of hands or ballot. Ad hoc meetings may be convened by written communication, and resolutions may be adopted by written vote.

**Article 17.** Where necessary, directors and senior management of the Company may be invited to be present at the Remuneration and Appraisal meetings.

**Article 18.** Where necessary, the Remuneration and Appraisal Committee may appoint intermediary agencies to provide independent and professional advices for its decision-making and such fees shall be borne by the Company.

**Article 19.** Whenever matters in relation to a particular member are discussed at the meeting of the Remuneration and Appraisal Committee, such member shall refrain from attending the meeting.

**Article 20.** The procedures for convening meetings of the Remuneration and Appraisal Committee, the voting procedures, and the remuneration policies and distribution plans approved at the meetings shall comply with relevant laws and regulations, the Articles of Association, and these rules.

**Article 21.** Minutes shall be taken for the meetings of the Remuneration and Appraisal Committee. Drafts and final versions of minutes of the meetings should be sent to all committee members for their comments

and records respectively, in both cases within reasonable time periods after the meetings. Members present at the meeting, the Board Secretary, and the minute-taker shall sign the final version of the meeting minutes. The meeting minutes shall be maintained by the Board Secretary of the Company.

**Article 22.** The resolutions passed at and voting results of the meetings of the Remuneration and Appraisal Committee shall be reported to the Board in written form.

**Article 23.** Members attending the meetings are under an obligation to keep confidential the matters discussed at the meetings and shall not disclose any relevant information without prior authorization.

#### **Chapter 6 Supplementary Provisions**

**Article 24.** These rules shall come into effect on the date of adoption by resolution of the Board.

**Article 25.** Any matters not addressed in these rules shall be governed by relevant PRC laws and regulations, the Listing Rules, and the Articles of Association. In the event of any conflict between these Rules and any laws or regulations subsequently promulgated by the PRC, or with the Articles of Association as amended through lawful procedures, the provisions of such PRC laws, regulations, and the Articles of Association shall prevail. These rules shall be promptly amended and submitted to the Board for review and approval.

**Article 26.** The Board shall be responsible for the interpretation of these rules.

*The English version of these rules is for reference only and if there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.*

Hisense Home Appliances Group Co., Ltd.

30 May 2025