

The Implementation Rules and Regulations of the Remuneration Committee was originally drafted in Chinese and the English translation thereof is not an official version and for your reference only. In case of any inconsistencies and/or discrepancies between the Chinese version and the English version, the Chinese version shall always prevail.

Zhuzhou CRRC Times Electric Co., Ltd.

Implementation Rules and Regulations of the Remuneration Committee

Effective from 7 September 2021

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ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.

Implementation Rules and Regulations of the Remuneration Committee

CHAPTER 1 GENERAL PROVISIONS

- Article 1** In order to further improve the appraisal system and remuneration management system on directors and senior management members of Zhuzhou CRRC Times Electric Co., Ltd. (the “Company”), and to improve the Company’s corporate governance structure, the board of directors of the Company specifically established the Remuneration Committee of the board of directors and formulated these rules in accordance with the Company Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies (《上市公司治理準則》), the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the above listing rules are hereinafter referred to as the “Listing Rules of Listing Places”), the Opinion on the Further Promotion of the Standardised Operation and In depth Reform of Companies Listed Overseas (《進一步促進境外上市公司規範運作和深化改革的意見》) and other relevant laws, administrative regulations, regulatory documents as well as the requirements of the Articles of Association of Zhuzhou CRRC Times Electric Co., Ltd. (the “Articles of Association”).
- Article 2** The Remuneration Committee of the board of directors is a body specifically established by the board pursuant to the shareholders’ general meeting, which is mainly responsible for formulating and reviewing the remuneration policy and proposal for the directors and senior management members, formulating the assessment criteria and conduct assessment for the directors and senior management members, and shall be accountable to the board of directors.
- Article 3** For the purpose of these rules, the directors refer to the chairman, vice chairman and other directors of the Company; senior management members refers to the general manager, deputy general manager, chief financial officers, general counsel, secretary to the board of directors and other senior management as determined by the Company.

CHAPTER 2 COMPOSITION

- Article 4** The Remuneration Committee shall be composed of three or more directors, and the majority of whom shall be independent non-executive directors.
- Article 5** The members of the Remuneration Committee shall be nominated by the chairman of the board, more than half of the independent non-executive directors or one-third of all directors and be elected by the board of directors.

Article 6 The Remuneration Committee shall have a chairman who must be an independent non-executive director and shall be in charge of the Remuneration Committee's work. The chairman shall be elected from the independent non-executive directors who are serving as members of the Remuneration Committee, and the election of which shall become effective after the result has been reported to, and approved by, the board of directors.

Article 7 The term of office of a member of the Remuneration Committee shall be consistent with the term of the board of directors. Upon the expiration of his term, a member may serve a consecutive term if re-elected. Where a member ceases to be a director of the Company during the term or a member who should be an independent non-executive director ceases to have the independence required by the Listing Rules of Listing Places and the Articles of Association, his/her membership shall be terminated automatically and the replacement shall be appointed by the board of directors in accordance with Articles 4 to 6 of these rules, and the term of office of such member shall end at the expiry of the term of office of such member as a director.

Article 8 The Remuneration Committee has a working team under it. The working team is specifically responsible for providing information related to the operation of the Company and information with respect to the appraised persons, and for the preparation of the meetings of the Remuneration Committee as well as for the implementation of the relevant resolutions of the Remuneration Committee.

CHAPTER 3 DUTIES AND AUTHORITIES

Article 9 The principal duties and authorities of the Remuneration Committee are:

- (1) to formulate an overall remuneration structure, scheme, proposal and/or policy based on the major scope, responsibilities and importance of the managerial position of directors and senior management members, as well as the levels of remunerations of relevant positions in relevant enterprise and to set up the procedures which shall be followed in relation to formulating the remuneration structure, scheme, proposal and/or policy (such procedures must be formal and transparent). The remuneration structure, scheme, proposal and/or policy shall include but not limited to appraisal standard, procedures and the principal appraisal system, the main proposal and system for reward and penalties;
- (2) to review and approve the remuneration proposals for directors and senior management members with reference to the board of directors' corporate goals and objectives;
- (3) to consult the chairman of the board and/or general manager about the remuneration proposals for the executive directors who are not chairman of the board of directors or general manager;

- (4) to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that such compensation is consistent with relevant contractual terms and is otherwise fair and reasonable and not excessive;
- (5) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are consistent with relevant contractual terms and are otherwise reasonable and appropriate;
- (6) responsible for formulating and making recommendations to the board of directors on remuneration packages for individual executive directors and senior management, which shall include non-pecuniary benefits, pension entitlements and compensation payments (including compensation for loss or termination of office or appointment), and to make recommendations to the board of directors on the remuneration of non-executive directors. The Remuneration Committee shall take into account factors such as remuneration paid by comparable companies, the time and responsibilities required and the terms of employment of other positions within the Group;
- (7) to review the performance of directors (including independent non-executive directors) and senior management members of the Company and conduct annual performance appraisal;
- (8) to supervise the implementation of the remuneration system of the Company and ensure that no director or any of his/her associates is involved in deciding his/her own remuneration;
- (9) to conduct studies and make recommendations on the Company's equity incentive plan;
- (10) other matters as prescribed by applicable laws, regulations, the Articles of Association, the Listing Rules of Listing Places and as authorized by the board of directors.

Article 10 The board of directors has the power to veto the remuneration plan or scheme which it reasonably believes may impair the interests of shareholders.

Article 11 The remuneration scheme for the directors of the Company shall be implemented after it has been approved by the board of directors and is submitted to the shareholders' general meeting for consideration and approval in accordance with the requirements of the Articles of Association. The remuneration allocation scheme for the senior management members of the Company must be reported to, and approved by, the board of directors.

CHAPTER 4 DECISION-MAKING PROCEDURES

Article 12

The working team under the Remuneration Committee shall be responsible for the preliminary preparation work for the Remuneration Committee's decision making and providing related information of the Company:

- (1) to provide the information on the fulfilment of the major financial indicators and operation goals of the Company;
- (2) the allocation of scope of works among the senior management members of the Company and information on their main duties;
- (3) to provide the information on the fulfilment of the targets involved in the job performance appraisal system for directors and senior management members;
- (4) to provide the information on the operational performance of the Company in connection to the innovative and profit-creating capabilities of the directors and senior management members;
- (5) to provide the relevant estimating basis in relation to the Company's remuneration allocation plan and the way of allocation based on the performance of the Company.

Article 13

The Remuneration Committee's assessment procedures on directors and senior management members:

- (1) directors and senior management members of the Company shall report to the Remuneration Committee of the board of directors on their works and conduct self-evaluation;
- (2) the Remuneration Committee will conduct performance appraisal on the directors and senior management members in accordance with the standard and procedure of performance appraisal;
- (3) propose the amount of reward and the form of reward for the directors and senior management members according to the result of the job performance appraisal and the policy of remuneration allocation, which shall be reported to the board of directors after its approval by voting.

CHAPTER 5 RULES OF PROCEDURE

Article 14 The meetings of Remuneration Committee can be classified into regular meetings and extraordinary meetings.

Article 15 Regular meetings of Remuneration Committee shall be convened at least once a year with three days' notice to all members and sufficient meeting materials, but the aforementioned notice period may be waived with the unanimous consent of all members. The meeting shall be chaired by the chairman of the Remuneration Committee, who may delegate an independent non-executive director who is a member of the Committee to chair the meeting if he/she is unable to attend the meeting.

Article 16 The chairman of the Committee shall issue a notice of the extraordinary meeting within three days from the date of occurrence of any of the following circumstances:

- (1) when proposed by the board of directors;
- (2) when proposed by the chairman of the Committee;
- (3) when proposed by two or more members of the Committee;
- (4) when proposed by the chairman of the board of directors.

The securities and legal department shall send the notice of the meeting and relevant meeting information to all members three days prior to the extraordinary meeting according to the instruction of the chairman of the Remuneration Committee, but the aforementioned requirements on notice time and procedures may be waived with the unanimous consent of all members.

Article 17 Notice of the meeting shall include:

- (1) the place, date, time and manner of convening the meeting;
- (2) the agenda of the meeting and the matters to be discussed and related information;
- (3) the contact person and contact information of the meeting;
- (4) the date of the notice.

Article 18 Notice of the meeting may be given by hand, fax, registered mail, email or other means as provided for in the Articles of Association.

- Article 19** Members of the Remuneration Committee shall attend the meetings in person with a diligent and responsible attitude and express their clear opinions on the matters for consideration. If a member is unable to attend a meeting for any reason, he/she may appoint another member to attend and express his/her opinion and exercise his/her voting rights on his/her behalf. Each member shall be appointed by a maximum of one member.
- Article 20** If a member of the Remuneration Committee appoints another member to attend the meeting on his or her behalf, he/she shall submit a power of attorney signed by the member to the presiding person. The power of attorney shall specify the name of the principal, the scope, authority and duration of the power of attorney, and shall be submitted to the presiding person no later than the time of the meeting.
- Article 21** The meeting of the Remuneration Committee shall be held with the presence of at least two-thirds of the members; each member shall have one vote; and the resolution made at the meeting shall be passed by more than half of all members.
- Article 22** The member concerned shall recuse himself/herself from the discussion of the topics concerning such committee member at the meeting of the Remuneration Committee. If the effective deliberative opinion cannot be formed due to the recusal of members of the Committee, the relevant matters shall be considered directly by the board of directors.
- Article 23** Voting at the meeting of the Remuneration Committee shall be taken by a show of hands or by ballot. If necessary, the meeting may also be held by written correspondence under the premise of guaranteeing the full expression of members' opinions.
- Article 24** If necessary, directors, supervisors and senior management members of the Company may be invited to sit in on the meetings of Remuneration Committee and provide necessary information.
- Article 25** The Company shall provide the Remuneration Committee with sufficient resources to perform its duties. When the members exercise their authority, the relevant personnel of the Company shall actively cooperate, shall not refuse, obstruct or conceal, and shall not interfere with the exercise of their authority. If necessary, the Remuneration Committee may engage intermediaries to provide independent professional advice for its decision-making at the Company's expense.
- Article 26** The procedures for convening the meetings of the Remuneration Committee, the voting methods and the resolutions on remuneration policies and allocation plans passed at the meetings must comply with the requirements of relevant laws and regulations, the Articles of Association, these rules and the Listing Rules of Listing Places.

- Article 27** The Remuneration Committee shall keep minutes for its meetings. Draft and final versions of minutes of the meetings shall be sent to all members of the Committee for their comment and records respectively within a reasonable time after the meeting. The members of the Committee who attended the meeting shall sign on the minutes. The minutes of the meetings shall be kept by the secretary to the board of directors.
- Article 28** Resolutions passed at and voting results of the meetings of the Remuneration Committee shall be reported to the board of directors of the Company in writing.
- Article 29** The Remuneration Committee shall report the implementation of the works for the previous year to the board of directors in the first meeting of every year.
- Article 30** Members present at the meetings shall have an obligation to keep all matters discussed in such meetings confidential, and shall not disclose relevant information without authorization.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

- Article 31** Unless otherwise stated, terms used in these rules shall have the same meanings as those terms in the Articles of Association.
- Article 32** These rules shall be effective from the date of approval by the board of directors and the initial public issue of the Company's A shares and listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the "Rules Effective Date"), and the provisions of these rules, as amended from time to time, shall be effective from the date specified in the relevant board resolution.
- Article 33** Any matters not covered by these rules shall be implemented in accordance with the provisions of the relevant national laws and regulations, the Listing Rules of Listing Places and the Articles of Association. Should these rules conflict with the relevant national laws and regulations, the Listing Rules of Listing Places coming into effect after the Rules Effective Date or the Articles of Association amended after the Rules Effective Date through lawful procedures and implemented subsequently, the relevant national laws and regulations, the Listing Rules of Listing Places and the Articles of Association that become effective after the Rules Effective Date shall prevail, and these rules shall be revised immediately and the revision shall be reported to the board of directors for consideration and approval.
- Article 34** The power to interpret these rules is vested in the board of directors of the Company.