Luxshare Precision Industry Co., Ltd.
立訊精密工業股份有限公司
(a joint stock company incorporated in the People's Republic of China with limited liability)

Terms of Reference for the Remuneration and Appraisal Committee of the Board (Applicable upon issuance and listing of H shares)

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to clarify the responsibilities of the Remuneration and Appraisal Committee (hereinafter referred to as the "**Committee**") of the board of Luxshare Precision Industry Co., Ltd. (hereinafter referred to as the "**Company**"), to promote efficiency and ensure scientific decision making, the Company has established these Rules in accordance with relevant requirements including the Company Law of the People's Republic of China (hereinafter referred to as the "**Company Law**"), the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Hong Kong Listing Rules**"), the Articles of Association of Luxshare Precision Industry Co., Ltd. (hereinafter referred to as the "**Articles of Association**") and Rules and Procedures for Meetings of the Board.

Article 2 The Committee is a standing deliberative organization established by the Board and is led by the Board. The Committee is responsible to and reports to the Board. The Committee is responsible for studying and drafting the assessment standards for directors and senior management of the Company and conducting assessment; formulating and reviewing the remuneration policies and plans of directors and senior management of the Company.

CHAPTER 2 ORGANIZATIONAL STRUCTURE OF THE COMMITTEE

Article 3 The Committee shall comprise of 3 members, a majority of whom shall be independent directors. Candidates for Committee members are nominated by the chairman of the Board, 50% of the independent directors or one-third of all directors, and elected by a majority vote of all directors of the Board. The Committee shall have a chairperson, who shall be an independent director. The chairperson shall be elected by a majority vote of all Committee members. Secretary to the Board shall be responsible for the preliminary preparations for decision-making of the Remuneration and Appraisal Committee, and providing relevant information of the Company.

Article 4 A Committee member shall satisfy the following conditions:

(I) are familiar with relevant laws and regulations of the State, possess relevant professional knowledge on remuneration and appraisal, and are familiar with the Company's operation and management;

(II) comply with the principles of honesty and good faith, with integrity and self-discipline, perform duties with loyalty and diligence, protect the interests of the Company and the shareholders through working actively;

(III) have relatively strong comprehensive analysis and judgement abilities, and possess the ability to work independently.

Article 5 A Committee member shall be appointed by the Board. Their term of office shall be the same as the term of office of the Board. Before expiration of the term of office of a member, he/she may resign. Upon expiration of the term of office of a member, he/she may be re-elected for re-appointment. Before the expiration of the term of office of a member, unless the circumstances unfit for appointment as stipulated in the Company Law, the Articles of Association or these Rules occur, such member shall not be dismissed without a reason. Where any member no longer holds the office of director during his/her term of office, the Committee membership of such member shall automatically be revoked.

In the event that the number of the Committee member shall fall below two-thirds of the required number due to resignation by or removal of members or such other reasons, the Board shall promptly supplement new candidates. The Committee shall suspend performance of its duties pursuant to these Rules until the number of the Committee member is restored back to two-thirds of the required number.

CHAPTER 3 RIGHTS AND OBLIGATIONS OF THE COMMITTEE

Article 6 Responsibilities of the Committee shall include:

(I) to research, review and formulate remuneration plans, policies or proposals for the directors and senior management, including but not limited to performance appraisal criteria, decision making procedures and key appraisal system, and major incentive and penalty plans and systems. For directors and senior management who fail to meet performance evaluation requirements or cause serious losses to the Company due to material errors, a corresponding deduction plan on their performance-based annual salary and tenure-based incentive plan will be formulated based on their responsibilities. In case of salary balance is less than 0 due to prepaid salary or other reasons, a recovery and deduction plan will be formulated. Upon the decision of recovery and deduction is made by the Company, involving party shall actively return the salary subject to deduction to the Company.

(II) responsible for formulating standards for appraising directors and senior management, to review the performance of duties of directors and senior management of the Company and to conduct performance evaluations;

(III) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

(IV) to make recommendations to the Board regarding the following matters:

1. the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

2. to determine the remuneration packages of individual director and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

3. remuneration of non-executive directors;

4. to formulate or change equity incentive schemes, employee stock ownership plans, and conditions for incentive participants to be granted with and exercise interests;

5. the arrangement of stock ownership plans for subsidiaries to be spun off by directors and senior management;

(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 for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is 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 are otherwise reasonable and appropriate;

(VIII) to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration;

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

(X) other matters as required by the laws, administrative regulations, the CSRC, securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association; and

(XI) other matters as authorized by the Board.

In the event that the Board has not adopted or fully adopted the recommendations of the Remuneration and Appraisal Committee, it shall state the opinions of the Remuneration and Appraisal Committee and the specific reasons for not adopting the same in the resolutions of the Board, and make relevant disclosure.

Article 7 To establish a work report system of the Committee to the Board, the work report shall at least contain:

(I) the appraisal and performance evaluations of directors and senior management;

(II) a summary on the remuneration of the directors and senior management staff during the reporting period;

(III) the analysis and evaluation of the reward systems for directors and senior management staff and the implementation of such systems;

(IV) other matters required to be reported by the Board.

Article 8 The expenditure of the Committee shall be included in the Company's budget, the reasonable cost of the Committee for the employment of advisory organs and professionals when executing its functions and powers shall be borne by the Company. The reasonable expenses for members of the Committee to attend meetings of the Committee shall be paid by the Company.

Article 9 Chairperson of the Committee shall perform the following duties in accordance with law:

(I) to convene and preside over meetings of the Committee;

(II) to approve and sign reports of the Committee;

(III) to examine the implementation of the resolutions of the Committee;

(IV) to report the work of the Committee to the Board on behalf of the Committee;

(V) other duties that should be performed by chairperson of the Committee.

If chairperson of the Committee is unable to perform his/her duties for some reasons, another member appointed by the chairperson shall execute his/her functions and powers.

Article 10 When executing its functions and powers, the Committee may take the following measures as to the problems it discovers:

(I) to issue oral or written notification, requiring rectification;

(II) to require functional departments of the Company to make verification;

(III) to put forward suggestions to the Board on the removal or dismissal of senior management of the Company who has materially violated the laws, administrative regulations, securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association or caused losses to the Company.

Article 11 Members of the Committee shall fulfil the following obligations:

(I) to perform their duties in a faithful manner in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, and to protect the interests of the Company;

(II) not to disclose the Company's secrets unless in accordance with the provisions of laws or with the consent of the shareholders' meeting or the Board;

(III) to be responsible for the truthfulness and compliance of the reports submitted or documents produced to the Board.

CHAPTER 4 WORKING MODE AND PROCEDURES OF THE COMMITTEE

Article 12 The Committee is comprised of the chairperson and its members. The chairperson is responsible for the overall work of the Committee. The Committee adheres to the principles of scientific and democratic decision-making, and major matters and important issues are decided through collective discussion.

Article 13 The Committee adopts the system of regular meetings and extraordinary meetings. The Committee meeting is primarily held on site and, when necessary, may be held by way of electronic correspondence including video call, telephone, online meeting, e-mail, text messages, fax and weChat, provided that the members are able to fully express their opinions. The Committee meeting may also be held by a combination of onsite meeting and electronic correspondence including video call, telephone, online meeting, e-mail, text messages, fax and weChat. If electronic correspondence is adopted, corresponding record shall be kept.

Article 14 A regular meeting is to be held within 120 days upon the end of a accounting year. The main contents of the meeting is to examine the implementation of the appraisal and remuneration incentive schemes for directors and senior management staff in the previous year; to put forward relevant reward proposals for directors and senior management staff according to the actual operation situation of the Company; to study and draft the remuneration and appraisal plans for the next year; and other matters related to remuneration and appraisal that need to be submitted to the Committee for discussion.

Article 15 Extraordinary meetings are held according to work requirements without any fixed schedule. An extraordinary meeting may be convened under any of the following circumstances:

(I) as proposed by the chairman of the Board;

(II) chairperson of the Committee deems necessary.

Article 16 The Committee shall despatch a notice of meeting to all members within 5 to 10 days before convening a regular meeting stating the time, venue and proposed resolutions to be discussed on the meeting. For extraordinary meetings, the notification period shall be 3 days before the meeting. Yet in case of emergency, a notice of meeting can be made by way of telephone or other verbal means. Aforementioned notification period shall not apply but the convener of the meeting shall explain the situation at the meeting and seek the opinions from other Committee members.

Regular meetings of the Committee shall only be held when over two-thirds (including two-thirds) of members are present.

Article 17 Members of the Committee should attend the meeting as scheduled, fully express their opinions on the matters to be discussed or deliberated, and make clear statements. When unable to attend the meeting for any reason, one could entrust another Committee member in writing to exercise the powers on their behalf. The power of attorney should specify the name of the proxy, the entrusted matters, the authority and the validity period, and signed or sealed by the principal. If a Committee member fails to attend the meeting twice consecutively and does not entrust another member to exercise his or her powers on his or her behalf, the Committee may request the Board to replace him or her.

Article 18 At a Committee meeting, voting on a resolution shall be taken by open ballot or a show of hands. In case of Committee meeting held by electronic correspondence, if a member is unable to sign a resolution immediately at the meeting, he/she shall vote orally/in writing and sign the resolution in writing as soon as possible within the prescribed period and submit a written confirmation confirming the attendance at the meeting. An oral vote by a member shall have the same effect as a written signature, provided that the subsequent written signature shall be consistent with the oral vote at the meeting. If such written signature is inconsistent with the oral vote, the oral vote shall prevail. For meetings not held onsite, the number of members present shall be calculated based on the valid voting votes of members with video presentation, members who express their opinions in the conference call, and actual receipts of faxes or e-mails within the specified time limit, or the written confirmation letters submitted by the members afterwards stating that they have attended the meeting. All resolutions must be passed by majority of all members of the Committee.

Article 19 The Committee shall keep clear meeting minutes. The contents of the minutes shall include the time and place of the meeting, host, participants, subject under discussion, discussion process and voting result (the number of affirmative votes, dissenting votes and abstention shall be specified in the voting result). Members attending the meeting shall sign the minutes.

Article 20 The meeting minutes and resolution of the Committee shall be kept for 10 years as the Company's documentation.

CHAPTER 5 SUPPLEMENTARY PROVISIONS

Article 21 These Rules shall be construed by the Board. Upon approval by vote, these Rules shall become effective on the same date as H Shares issued by the Company are listed on the Stock Exchange of Hong Kong Limited.

Article 22 The provisions of relevant laws and regulations of the State, normative documents, regulatory requirements of the place where the Company's Shares are listed and the Articles of Association shall apply to the matters not covered in these Rules. In case of any contradiction between these Rules and relevant laws and regulations, normative documents, regulatory requirements of the place where the Company's Shares are listed and the Articles of Association, the relevant laws and regulations of the State, normative documents, regulatory requirements of the place where the Company's Shares are listed and the Articles of Association shall prevail.

The Board of Directors
Luxshare Precision Industry Co., Ltd.

July 8, 2026