



雲工場科技控股有限公司
Cloud Factory Technology Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2512)

THE REMUNERATION COMMITTEE
TERMS OF REFERENCE

Constitution

1. The board (the “**Board**”) of directors (collectively, the “**Directors**” and individually, a “**Director**”) of Cloud Factory Technology Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) has established a remuneration committee (the “**Remuneration Committee**”) with authority, responsibility, and specific duties as described below.

Members

2. The Remuneration Committee shall be established by the Board and shall comprise a minimum of three (3) members. The majority of the members must be independent non-executive Directors (“**INED(s)**”) who meet the independence requirements as stipulated in the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).
3. The chairperson of the Remuneration Committee shall be appointed by the Board and shall be an INED.
4. The terms of appointment of the Remuneration Committee members should be determined by the Board at the appointment date, and shall not exceed the member’s tenure as a Director.

Secretary

5. The company secretary of the Company shall act as the secretary of the Remuneration Committee.
6. The Remuneration Committee may from time to time, appoint any other person with appropriate qualification and experience to act the secretary of the Remuneration Committee.

Frequency and proceedings of meetings

7. The Remuneration Committee shall meet at least once a year. Additional meetings may be held as and when necessary.
8. The quorum for a meeting shall be two (2) members of the Remuneration Committee, at least one of whom must be an INED.
9. The meetings and proceedings shall be governed by the relevant provisions of the articles of association of the Company (as amended from time to time).
10. Meetings of the Remuneration Committee may be held either in person or through electronic means of communication or in such other manner as the members may agree.
11. Resolutions of the Remuneration Committee shall be passed, in the case of a meeting, by a majority of votes of the members of the Remuneration Committee attending such meeting. The chairperson of the Remuneration Committee shall have a second or casting vote when an equality of votes occurs.
12. A resolution in writing passed and signed by all members of the Remuneration Committee shall be valid, and the validity is the same as any resolution passed in the meeting held.
13. Members must abstain from voting in respect of any resolution which he/she is an interested party.
14. Full minutes of the Remuneration Committee meeting should be kept by the company secretary or the duly appointed secretary of the Remuneration Committee and be available for review by the Directors. Draft and final versions of minutes of the meetings should be sent to all members of the Remuneration Committee for their comment and records, within a reasonable time after the meeting.

Notice of meetings

15. A meeting of the Remuneration Committee may be convened by any of its members or the secretary of the Remuneration Committee.
16. Unless otherwise agreed by the members of the Remuneration Committee, notice of at least fourteen (14) days shall be given for a regular meeting of the Remuneration Committee, unless such notification is waived by all members of the Remuneration Committee. For all other meetings of the Remuneration Committee, reasonable notice shall be given.

17. Agenda and accompanying meeting papers should be sent in full to all Directors in a timely manner and at least three (3) days before the intended date of a meeting of the Remuneration Committee (or other agreed period).

Authority

18. The Remuneration Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to request the Directors and the senior management of the Company to provide any required resources or information related to the remuneration package to perform its duties.
19. The Remuneration Committee shall consult the chairman and/or chief executive about their remuneration proposals for other executive Directors. It shall be provided with sufficient resources to perform its duties and seek independent professional advice in appropriate circumstances at the Company's expense to perform its duties.

Duties and functions

20. The duties and functions of the Remuneration Committee include:
- (a) to make recommendations to the Board on 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;
 - (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
 - (c) either:
 - (i) to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management; or
 - (ii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.
- This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (d) to make recommendations to the Board on the remuneration of the non-executive Directors;
 - (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

- (f) 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;
- (g) 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;
- (h) to ensure that no Director or any of their associates is involved in deciding that Director's own remuneration; and
- (i) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

Reporting

21. The Remuneration Committee shall report to the Board after each of its meetings.

Annual general meetings

22. The chairperson of the Remuneration Committee (or in his/her absence, the other member of Remuneration Committee which must be an INED) shall attend the Company's annual general meeting and be prepared to respond to any shareholders' questions on the Remuneration Committee's activities and responsibilities.

Amendment

23. Subject to the compliance with the articles of association of the Company and the Listing Rules, any amendment to the terms of reference shall be authorised by the Board.

Publication

24. The Remuneration Committee shall make available these terms of reference, explaining its roles and the authority to it by the Board by publishing them on the websites of the Stock Exchange and the Company.

If there is any inconsistency between the English and Chinese version of these terms of reference, the English version shall prevail.

June 2024