北京京城機電股份有限公司

Beijing Jingcheng Machinery Electric Company Limited

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 0187)

BEIJING JINGCHENG MACHINERY ELECTRIC COMPANY LIMITED REMUNERATION MANAGEMENT RULES FOR DIRECTORS AND SENIOR MANAGEMENT

(In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.)

Chapter I General Provisions

Article 1 To further establish and improve the remuneration system for the directors and senior management of Beijing Jingcheng Machinery Electric Company Limited (the "**Company**"), and to establish a scientific and effective incentive and accountability mechanism, fully mobilize the initiative of the directors and senior management, enhance the Company's management efficiency, and achieve the organic integration of remuneration allocation, performance appraisal and Company results and shareholders' value, these rules are formulated in accordance with the relevant laws, regulations and normative documents such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Corporate Governance Guidelines for Listed Companies, and the Articles of Association of Beijing Jingcheng Machinery Electric Company Limited (the "**Articles of Association**").

Article 2 These rules apply to the following personnel:

(1) Current directors of the Company, including non-independent directors and independent directors; and

(2) Current senior management of the Company, including managers, deputy managers, secretary to the board of directors, chief financial officer, chief engineer and chief legal advisor.

Article 3 The Remuneration Management Rules for Directors and Senior Management of the Company shall adhere to the following principles:

(1) The principle of openness, fairness and impartiality: combination of quantitative and qualitative management, and combination of performance appraisal and process control;

(2) The principle of distribution according to work and combination of responsibility, authority and benefits: the remuneration level shall be corresponding to the management responsibilities and authority undertaken by the directors and senior management, with equal emphasis on incentives and restraints;

(3) The principle of linking individual income with Company performance and work goals: the remuneration shall be matched with the Company's operating results and individual performance, and consistent with the Company's sustainable development; and

(4) The principle of strategic orientation and clear goals: the remuneration shall be integrated with the long-term interests of the Company.

Article 4 The Company shall, in accordance with the provisions of Content and Format Guidelines for Information Disclosure by Companies Issuing Securities to the Public No. 2-Content and Format of Annual Reports, disclose the annual remuneration of directors and senior management, including the decision-making procedures for the remuneration of directors and senior management, the basis for remuneration determination and actual payment. It shall disclose the total pre-tax remuneration (including basic salary, bonus, allowance, subsidy, employee welfare benefits and various insurance premiums, provident fund, pension and other forms of remuneration received from the Company) received by each current and former director and senior management during the reporting period from the Company (including the conditions for obtaining benefits and exercising rights), the basis for assessment and completion, deferred payment arrangements, and stop-payment and recovery, explain whether the remuneration is obtained from related parties of the Company, and disclose the total remuneration of all directors and senior management.

Chapter II Remuneration Management Organization

Article 5 The remuneration and monitoring committee of the board of directors is responsible for formulating and evaluating the assessment standards of directors and senior management, formulating and reviewing the remuneration policies and plans of directors and senior management, and making recommendations to the board of directors on the following matters:

(I) Remuneration of the directors and senior management;

(II) Formulation or changes of stock incentive plans and employee stock ownership plans, rewards for the incentive subjects and conditions for exercising such rights;

(III) Arrangement of shareholding plans of directors and senior management in the proposed spin-off of subsidiaries;

(IV) Other matters as stipulated by the relevant provisions of the laws, regulations, the stock exchanges and the Articles of Association.

The board of directors shall record and disclose the opinions of the remuneration and monitoring committee not adopted or fully adopted in the board resolutions with specific reasons thereof.

The expenses related to the performance of duties of the remuneration and monitoring committee shall be borne by the Company.

Article 6 The directors' remuneration plan shall be determined by the shareholders' meeting and disclosed. The remuneration plan for senior management shall be approved by the board of directors, explained to the shareholders' meeting, and fully disclosed.

Article 7 The Company shall establish fair and transparent performance and duty performance appraisal standards and procedures for the directors and senior management members.

The performance appraisal of the directors and senior management members shall be organized by the remuneration and monitoring committee. When the board of directors or the remuneration and monitoring committee perform assessment on an individual director or discusses his/her remuneration, the director concerned shall recuse himself/herself. The appraisals of duty performance of independent directors shall be conducted by way of self-evaluation and mutual appraisals.

The board of directors shall report on the performance of duties, performance appraisal results and remuneration of directors to the shareholders' meeting, and the Company shall disclose such reports. The relevant information can be disclosed through the board of directors' work report.

Article 8 If the Company incurs losses, it shall particularly explain in each stage of the remuneration review of the directors and senior management and whether the changes in their remuneration comply with the result requirements.

If the Company turns from profit to loss or suffers more losses as compared to the previous accounting year, and there is no corresponding reduction in the average performance-based remuneration of the directors and senior management, the reasons shall be disclosed.

When the accounting firm engaged by the Company conducts an internal control audit, particular focus shall be placed on the effectiveness of performance appraisal control and whether the remuneration payment complies with the internal control requirements.

Chapter III Composition and Standards of Remuneration

Article 9 Remuneration of directors:

(1) The total remuneration of non-independent directors who hold positions in the Company consists of basic salary, performance-based remuneration and medium- and long-term incentive income, among which the proportion of performance-based remuneration shall in principle be not less than 50% of the total amount of basic salary and performance-based remuneration.

(2) Non-independent directors who hold positions in the Company shall receive corresponding salary based on their specific management positions within the Company, in strict accordance with the established remuneration management rules and performance appraisal standards of the Company, and shall not receive any additional director allowances.

(3) Non-independent directors who do not hold positions in the Company shall in principle receive no remuneration from the Company.

(4) Independent non-executive directors shall receive fixed allowances, with the specific standards to be approved by the shareholders' meeting. Independent directors do not participate in the performance assessment linked to remuneration within the Company.

Article 10 Remuneration of senior management:

An annual remuneration system is implemented for senior managers. The total remuneration consists of basic salary, performance-based remuneration and medium- and long-term incentive income, among which the proportion of performance-based remuneration shall in principle be not less than 50% of the total of basic salary and performance-based remuneration. Their basic salary is determined based on fixed criteria such as educational background, work experience, years of service, job responsibilities and industry salary levels, and is paid monthly according to their fixed salary. The performance-based remuneration is based on the annual business goals as the assessment basis, and is determined according to the actual business results and work achievements of the senior management.

Article 11 The remuneration of directors and senior management of the Company shall be in line with market development, match the Company's operating results and individual performance, and be conducive to the Company's sustainable development.

Article 12 The determination and payment of performance-based remuneration and medium- and long-term incentive income of directors and senior management shall be based on performance appraisal as an important criterion.

The Company shall determine a certain proportion of performance-based remuneration of directors and senior management to be paid after disclosure of the annual report and conclusion of the performance appraisal, and the performance appraisal shall be carried out based on the audited financial data.

Chapter IV Remuneration Payment

Article 13 The payment of remuneration and allowances of senior management and directors receiving remuneration in the Company shall be carried out in accordance with the internal remuneration-related rules of the Company.

Article 14 The remuneration and allowances paid by the Company are all pre-tax amounts. The Company shall, in accordance with the State and the Company's own regulations, withhold and pay personal income tax, various social insurance expenses, and other items required by the State or the Company, and distribute the remaining portion to the individual concerned.

Article 15 If the directors or senior management of the Company leave their positions due to changes in terms, re-elections, resignation during their term of office, etc., their remuneration shall be calculated and paid accordingly based on their actual tenure and actual performance.

Article 16 The compensation provisions regarding early termination of the positions of directors and senior management in the Articles of Association or relevant contracts shall comply with the principle of fairness, without prejudicing the Company's legitimate rights and interests, and shall not involve transfer of benefits.

Chapter V Payment Reclamation

Article 17 When the Company retrospectively restates its financial reports due to financial fraud or other misstatements, it shall promptly reassess the performance-based remuneration and medium- and long-term incentive income of directors and senior management and recover the overpayment accordingly.

Article 18 Where the directors or senior management of the Company violate their obligations and cause losses to the Company, or are at fault for illegal and irregular acts such as financial fraud, fund occupation, and illegal guarantee, the Company shall, depending on the severity of the circumstances, reduce or stop payment of the unpaid performance-based remuneration and medium- and long-term incentive income, and fully or partially recover the performance-based remuneration and medium- and long-term incentive income that have been paid during the period when the relevant behavior occurred.

Chapter VI Remuneration Appraisal and Adjustment

Article 19 The appraisal and evaluation of the directors and senior management of the Company adopt a method that combines quantitative and qualitative management as well as result assessment with procedural control. The directors and senior management are comprehensively appraised from multiple dimensions.

Article 20 The remuneration system for the directors and senior management of the Company shall serve the Company's business strategy and be adjusted accordingly in response to the continuous changes in the Company's operating conditions to meet the needs of further development of the Company.

Article 21 Adjustment of the directors' remuneration plan shall be reviewed by the board of directors of the Company and approved by the shareholders' meeting before implementation. Adjustment of the remuneration plan for senior management shall be approved by the board of directors of the Company before implementation.

Article 22 The basis for remuneration adjustment of the Company's directors and senior management is as follows:

(1) Increase in remuneration in the same industry;

(2) Inflation level;

(3) The Company's profit;

(4) Adjustment of the Company's development strategy or organizational restructuring;

(5) Individual adjustments due to changes in positions.

Chapter VII Supplementary Provisions

Article 23 Matters not covered in these rules shall be implemented in accordance with relevant provisions of the laws, administrative regulations, regulatory documents and relevant provisions of the Articles of Association. Where relevant stipulations herein are inconsistent with the laws, administrative regulations, regulatory documents and the Articles of Association, such laws, administrative regulations, regulatory documents and the Articles of Association shall prevail.

Article 24 These rules shall take effect upon being submitted by the board of directors to the shareholders' meeting for consideration and approval, the same shall apply to any amendments hereof.

Article 25 The board of directors shall be responsible for interpreting these rules.

The Board of Directors
Beijing Jingcheng Machinery Electric Company Limited

June 2026