



CSPC PHARMACEUTICAL GROUP LIMITED

石藥集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 1093)

REMUNERATION COMMITTEE – TERMS OF REFERENCE

(Amended on 23 February 2023)

1. Composition

- 1.1 The Committee shall consist of at least three members appointed by the board of directors (the “**Board**”) of CSPC Pharmaceutical Group Company (the “**Company**”).
- 1.2 Majority of the members shall be independent non-executive directors.
- 1.3 The chairman of the Committee shall be an independent non-executive director and appointed by the Board.

2. Meetings

- 2.1 The Committee shall meet at least once a year.
- 2.2 Notice of meeting has to be given at least 14 days prior to the date of the meeting, unless all members unanimously waive such notice.
- 2.3 Members are expected to attend meetings in persons where possible, but may also attend by telephone or video conference.
- 2.4 The quorum for a meeting shall be any two members.
- 2.5 Resolutions of the Committee at any meeting shall be passed by a majority of votes of the members present.
- 2.6 A resolution in writing signed by all the members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.
- 2.7 The Company Secretary, or his/her delegate, shall act as the secretary of the Committee.

2.8 Minutes shall be kept by the secretary and circulated to all members of the Committee within a reasonable time after the meeting.

3. Responsibilities

The Committee shall have the following responsibilities:–

- 3.1 make recommendations to the Board on the policy and structure for the remuneration of all directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- 3.2 review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 3.3 make recommendations to the Board on the remuneration packages of individual executive directors and senior management. This should include, without limitation, basic salaries, bonuses, incentive payments, share options or other share awards, pension rights and compensation payments (including any compensation payable for loss or termination of office or appointment);
- 3.4 consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- 3.5 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;
- 3.6 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;
- 3.7 make recommendations to the Board on the remuneration of non-executive directors;
- 3.8 ensure that no director or any of his/her associates is involved in deciding his/her own remuneration;
- 3.9 consult the chairman of the Board and/or the chief executive about the remuneration proposals for other executive directors;
- 3.10 review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and
- 3.11 review and consider other matters if required to do so by the Board.

4. Reporting Responsibilities

4.1 The Committee shall report to the Board as and when appropriate.

5. Authority

5.1 The Committee is authorised by the Board to have access to any information they require from senior management of the Company in order to perform their duties.

5.2 The Committee is authorised by the Board where necessary to have access to independent professional advice and service.

5.3 The Committee shall be provided with sufficient resources to perform its duties.