

# 东曜药业

## TOT BIOPHARM International Company Limited

### 東曜藥業股份有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 1875)**

#### **Terms of Reference for the Remuneration Committee**

1. The composition, number of members, term of office, authority, rules of proceedings and resources to be provided by the Company when exercising authority of the Remuneration Committee shall be governed by the provisions of this Terms of Reference.
2. The chairman of the Remuneration Committee of TOT BIOPHARM International Company Limited (“**the Company**”) shall be an independent non-executive director, and the majority of its members shall be independent non-executive directors.
3. Regarding its scope of duties, the Remuneration Committee shall perform the following duties:
  - 3.1 To consult the chairman and/or the chief executive officer on proposals for remuneration of other executive directors. If necessary, the Remuneration Committee can seek independent professional advice;
  - 3.2 To make recommendations to the Board of Directors on the overall policy and structure for the remuneration of all directors and senior management of the Company, and on the establishment of a formal and transparent procedure for determining the remuneration policy;
  - 3.3 To review and approve the management’s remuneration proposals with reference to the Company’s goals and objectives set by the Board of Directors;
  - 3.4 To make recommendations to the Board of Directors on the remuneration packages of individual executive directors and senior management. This should include benefits in kind, pension rights and compensation payments (including compensation for loss or termination of office or appointment);
  - 3.5 To make recommendations to the Board of Directors on remuneration of non-executive directors;
  - 3.6 To consider remuneration, time commitment and responsibility of comparable companies and terms of employment of other positions of the Company;
  - 3.7 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 terms of the contract; and if it is not consistent with the terms of the contract, the compensation shall otherwise be fair, reasonable and not excessive.

- 3.8 To review and approve compensation arrangements relating to dismissal or removal of directors for misconduct, so as to ensure that such arrangements are consistent with the terms of the contract; and if it is not consistent with the terms of the contract, the compensation shall otherwise be reasonable and appropriate; and
- 3.9 To ensure that no directors or any of his/her associates is involved in deciding his/her own remuneration;
- 3.10 The Remuneration Committee shall be provided with sufficient resources to carry out its duties.
- 3.11 The Company shall disclose the details of remuneration of senior management according to the remuneration level in its annual report.

#### 4. Meeting

- 4.1 The Remuneration Committee should hold at least one meeting every year, and additional meetings of the Remuneration Committee may be held when necessary.
- 4.2 Meetings can be held in person, by phone or through video conference, but all participants should be able to hear each other.
- 4.3 Members of the Remuneration Committee may invite other directors, company secretary (or its representative) and relevant senior management members to attend the meeting of the Remuneration Committee.
- 4.4 Minutes shall be taken regarding all discussions in any meeting of the Remuneration Committee and the minutes shall record the following matters in details:
  - 4.4.1 Session, time and place of meeting;
  - 4.4.2 Name of the chairman;
  - 4.4.3 Attendance status of members, including the name and number of persons who are present, on leave or absent;
  - 4.4.4 Name of person taking the minutes;
  - 4.4.5 Matters reported in the meeting;
  - 4.4.6 Matters discussed in the meeting;
  - 4.4.7 Other items that should be recorded.

- 4.5 The draft and final version of the minutes of such meetings should be signed or sealed by the chairman and the person who took the minutes, and should be sent to each director within a reasonable time (such as within 20 days) after the meeting, and should be classified as a material document of the Company, which shall be kept safely and permanently during the existence of the Company. In addition, a complete record of minutes of the meetings shall be kept by the duly appointed secretary of the meeting (usually the company secretary).
5. The Remuneration Committee may, by resolution, appoint legal counsels, accountants or other professionals to conduct necessary verifications or provide advice on matters relating to the exercise of its powers, and the Company shall be responsible for the expenses.
  6. The Remuneration Committee shall report regularly to the Board of Directors on all matters within its scope of powers.
  7. The role of the Remuneration Committee and the scope of powers granted to it by the Board of Directors will be published on the website of the Company and the website of the Stock Exchange of Hong Kong Limited.
  8. Meeting agenda of the Remuneration Committee shall be determined by the convener, and other members should also propose motion for discussion by all committee members.
  9. Members of the Remuneration Committee should avoid participating in any discussion on matters that concern their own interests.
  10. The Remuneration Committee should regularly review matters relevant to this Terms of Reference and submit any amendments to the Board of Directors. This Terms of Reference is implemented after being approved by a resolution of the Board of Directors.