



BIOCYTOGEN PHARMACEUTICALS (BEIJING) CO., LTD.

百奥赛图（北京）医药科技股份有限公司

Stock Code: 2315

**Terms of Reference for the
Remuneration and Evaluation Committee of
Biocytogen Pharmaceuticals (Beijing) Co., Ltd.**

CHAPTER 1 GENERAL PROVISIONS

Clause 1 In order to establish a comprehensive remuneration and evaluation system for the senior management, improve the core competitiveness and optimize the corporate governance structure of Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (the “**Company**”), the Remuneration and Evaluation Committee has been established under the board of directors with these terms of reference in accordance with the Company Law of the People’s Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), the Articles of Association of Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (the “**Articles**”) and other applicable regulations.

Clause 2 All members of the Remuneration and Evaluation Committee shall be directors and the majority shall be independent directors. The chairman of the committee shall be an independent director.

CHAPTER 2 TERMS OF REFERENCE OF THE REMUNERATION AND EVALUATION COMMITTEE

Clause 3 The Remuneration and Evaluation Committee is set up by the board of directors and is mainly responsible for formulating evaluation standards and conducting evaluation on the directors and senior management of the Company. It shall also formulate and review the remuneration policy and proposals for directors and senior management of the Company, and shall be accountable to the board of directors.

Clause 4 In these terms of reference, a director refers to a remunerated director (non-independent director) of the Company, and the senior management refers to the general manager, deputy general manager, person-in-charge of finance and the secretary to the board of directors, appointed by the board of directors as well as other senior management as stipulated under the Articles.

Clause 5 Composition:

- (I) The Remuneration and Evaluation Committee shall consist of at least three directors, with a majority of independent directors.
- (II) Upon the passing of a separate resolution by the board of directors and the Remuneration and Evaluation Committee, an appointment of a committee member may be removed or replaced, or an additional committee member can be appointed.
- (III) The Remuneration and Evaluation Committee shall have a chairman, who shall be an independent director, to preside over the Remuneration and Evaluation Committee. The chairman shall be elected from members of the Remuneration and Evaluation Committee and subject to the approval of the board of directors.

- (IV) The term of office of the Remuneration and Evaluation Committee shall coincide with that of the board of directors. A member may serve consecutive terms if re-elected upon the expiry of his/her term of office. A member shall cease to be a member when he/she is no longer a director of the Company, and the committee shall fill the resulting vacancy in accordance with Clause 5 above.
- (V) If a director is not re-elected in time upon the expiration of his/her term of office, the director shall continue to perform his/her duties as a member of the Remuneration and Evaluation Committee in accordance with the laws, regulations and departmental rules, the Articles and these terms of reference until a newly-elected director takes office.
- (VI) The Remuneration and Evaluation Committee has a working group which serves as its administrative office, and is mainly responsible for the provision of information regarding the operation of the Company and the personnel being evaluated, organizing meetings of the Remuneration and Evaluation Committee and implementing the resolutions passed by the Remuneration and Evaluation Committee.

Clause 6 Duties and responsibilities:

- (I) The primary responsibilities of the Remuneration and Evaluation Committee include:
 - 1. the duties and authorities as set out in the relevant provisions under the Code of Corporate Governance contained in Appendix 14 to the Listing Rules, as amended from time to time;
 - 2. formulating evaluation standards with reference to the primary responsibilities, scope of work and significance of the positions held by directors and senior management, as well as the remuneration level of relevant positions in other relevant enterprises, and conducting evaluation and providing suggestions; providing advice to the board of directors regarding the overall performance evaluation of directors and senior management and the remuneration management system and structure as well as the establishment of formal and transparent procedures for the formulation of the remuneration policy;
 - 3. reviewing and approving the remuneration proposals of the management pursuant to the corporate goals and objectives established by the board of directors;
 - 4. remuneration plans or proposals mainly include without limitation to the performance evaluation standards, procedures and major evaluation systems, and major plans and systems of incentive and punishment;
 - 5. making recommendations to the board of directors on the remuneration package of individual executive directors and senior management, including benefit in kind, pension rights and compensation payment (including compensation for the loss or termination of office or appointment);

6. making recommendations to the board of directors on the remuneration of the non-executive directors;
 7. considering remuneration paid by comparable companies, time commitments and responsibilities and employment conditions of other positions within the Group;
 8. reviewing and approving the compensation payable to the executive directors and senior management for their loss or termination of office or appointment to ensure that it is consistent with the contractual terms, or is otherwise fair and reasonable and not excessive;
 9. reviewing and approving the compensation arrangement relating to the removal or dismissal of a director due to misconduct to ensure that it is consistent with the contractual terms, or is otherwise fair and appropriate;
 10. ensuring that no director or any of his/her associates is involved in determining his/her remuneration;
 11. examining the performance of the Company's directors (non-independent directors) and senior management and conducting annual performance evaluation of them;
 12. overseeing the implementation of the Company's remuneration system;
 13. other matters as authorized by the board of directors.
- (II) The board of directors shall have the right to deny any remuneration plans or proposals that may damage the interests of shareholders.
- (III) Remuneration plans for the directors of the Company proposed by the Remuneration and Evaluation Committee shall not be implemented until they are approved by the board of directors and passed at the shareholders' general meetings. Remuneration distribution plans for the senior management of the Company shall be subject to approval by the board of directors.

Clause 7 Working procedures:

- (I) The working group under the Remuneration and Evaluation Committee is responsible for preliminary preparations by providing the relevant written materials of the Company for the Remuneration and Evaluation Committee's decision-making:
1. major financial indicators and achievement of the Company's operating goals;
 2. information on the scope of work and major responsibilities of the senior management of the Company;
 3. information on the extent to which the performance targets set out under the work performance evaluation system have been achieved by directors (non-independent directors) and senior management;

4. information on performance evaluation on business innovation and profit-generating capabilities of directors (non-independent directors) and senior management;
 5. relevant calculation basis for formulating the Company's remuneration plans and distribution methods based on the Company's performance.
- (II) The procedures for the evaluation of directors and senior management by the Remuneration and Evaluation Committee are as follows:
1. directors and senior management shall report their work and make a self-evaluation to the Remuneration and Evaluation Committee;
 2. the Remuneration and Evaluation Committee shall assess the performance of directors and senior management in accordance with the performance evaluation standards and procedures;
 3. the Remuneration and Evaluation Committee shall propose the amount of remuneration and incentive methods for directors and senior management based on the performance evaluation results and the remuneration distribution policies, and shall submit them to the board of directors after being approved by voting.

Clause 8 Working procedures:

- (I) The Remuneration and Evaluation Committee shall hold at least one meeting annually. A notice of the meeting shall be served to all committee members three days prior to the meeting. The meeting shall be presided over by the chairman, or if he/she is unable to attend, another member of the committee, who shall be an independent director, designated by him/her.
- (II) Each member shall have one vote. A resolution of the meeting shall be passed by a simple majority of the votes of all members.
- (III) Members of the Remuneration and Evaluation Committee shall attend committee meetings in person. If a member is unable to attend the meeting for any reason, he/she may authorize another committee member in writing to attend the meeting on his/her behalf. If a member fails to attend the meeting of the Remuneration and Evaluation Committee in person or by proxy, he/she shall be deemed as having abstained from voting at such meeting.
- (IV) Voting at the meetings of the Remuneration and Evaluation Committee shall be by a show of hands or by poll. Voting at an extraordinary meeting may be conducted by means of communications.
- (V) The Remuneration and Evaluation Committee may invite the directors, supervisors and other senior management of the Company to observe the meetings of the Remuneration and Evaluation Committee when necessary.

- (VI) The Remuneration and Evaluation Committee may, if necessary, engage intermediary firms to provide professional advice on its decisions at the expense of the Company.
- (VII) When a committee member becomes the subject of a discussion at the meeting of the Remuneration and Evaluation Committee, such committee member shall recuse him/herself.
- (VIII) The meeting convening procedures, voting methods as well as the remuneration policy and distribution plans passed at the meetings of the Remuneration and Evaluation Committee shall be in compliance with the relevant laws, regulations, the Articles and these terms of reference.
- (IX) Minutes shall be kept for the meetings of Remuneration and Evaluation Committee, and shall be signed by members present at the meetings and filed by the secretary to the board of directors of the Company.
- (X) The meetings of the Remuneration and Evaluation Committee shall be arranged by the secretary to the board of directors of the Company. Minutes of the meetings shall be kept with sufficient details of the matters considered and decisions reached at the meetings, including any concerns raised or dissenting views expressed by the members. The minutes of the meetings shall be signed by members present at the meetings and shall be maintained by the secretary to the board of directors of the Company for ten years.
- (XI) The resolutions passed by, and the voting results of, the Remuneration and Evaluation Committee shall be submitted in writing to the board of directors of the Company for approval.
- (XII) All members of the committee and persons observing the meeting shall keep their discussions at the meetings confidential, and shall not disclose any relevant information without authorization.

Chapter 3 Supplementary Provisions

Clause 9 For any matters not covered by these terms of reference, the relevant laws and regulations, the Hong Kong Listing Rules and the Articles shall apply. In the event that these terms of reference are in contravention with the relevant laws, regulations, relevant requirements subsequently promulgated by the PRC government, the Hong Kong Listing Rules or the Articles as amended under lawful procedures, the relevant laws and regulations of the PRC and the Articles shall prevail. Amendments to these terms of reference shall be made accordingly and submitted to the board of directors for approval.

Clause 10 These terms of reference, after being approved by the board of directors, shall become effective and applicable from the date in which the overseas listed foreign shares (H shares) of the Company are issued and listed on The Stock Exchange of Hong Kong Limited.

Clause 11 These terms of reference are formulated and may be amended by the board of directors of the Company which shall have the right to interpret the same.

Note: In the event of discrepancies between the English and the Chinese versions, the Chinese version shall prevail.