

SIHUAN PHARMACEUTICAL HOLDINGS GROUP LTD. (the “Company”)

(Incorporated in Bermuda with limited liability)

Remuneration Committee Terms of Reference

Adopted by the Board on 8 October 2010

and

Amended by the Board on 19 March 2012 and 17 December 2022

1 Constitution

The board of directors of the Company (the “**Board**”) resolved to constitute and establish a remuneration committee (the “**Remuneration Committee**”) on 8 October 2010 with authority, responsibility, and specific duties as described below.

2 Membership

2.1 The members of the Remuneration Committee shall be appointed by the Board and the majority of whom shall be independent non-executive directors.

2.2 The members of the Remuneration Committee shall be identified in the Board’s remuneration report to the shareholders of the Company.

2.3 The Remuneration Committee must be chaired by an independent non-executive director and shall be appointed by the Board.

2.4 The Remuneration Committee shall consist of at least three (3) members. A quorum shall be two (2) members.

2.5 Each member of the Remuneration Committee shall disclose to the Remuneration Committee:

2.5.1 any personal financial interest (other than as a shareholder) in any matter to be decided by the Remuneration Committee;

2.5.2 any potential conflict of interest arising from a cross-directorship; or

2.5.3 any such member shall abstain from voting on resolutions of the Remuneration Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Remuneration Committee.

3 Secretary

One of the joint company secretaries of the Company (the “**Company Secretary**”) or his/her nominee shall act as the secretary of the Remuneration Committee.

4 Authority

The Remuneration Committee is authorised by the Board to investigate any activity within this terms of reference. It is authorised to seek any information it requires from any employee, and all employees are directed to co-operate with any request made by the Remuneration Committee. The Remuneration Committee is authorised by the Board to consult the chairman or the chief executive of the Company about their remuneration proposals for other executive directors of the Company. The Remuneration Committee should have access to independent professional advice if necessary. The Remuneration Committee shall be provided with sufficient resources to perform its duties.

5 Duties

- 5.1 The duties of the Remuneration Committee shall be:
- 5.1.1 to make recommendations to the Board on the Company's policy and structure for all Company's directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
 - 5.1.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
 - 5.1.3 to determine with the delegated responsibility OR make recommendations to the Board on the remuneration packages of individual executive directors and senior management of the Company, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
 - 5.1.4 to make recommendations to the Board on the remuneration of non-executive directors of the Company;
 - 5.1.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
 - 5.1.6 to review and approve compensation payable to executive directors and senior management of the Company 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;
 - 5.1.7 to review and approve compensation arrangements relating to dismissal or removal of directors of the Company for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
 - 5.1.8 to ensure that no director of the Company or any of its associates is involved in deciding his own remuneration;
 - 5.1.9 to prepare a remuneration report to shareholders or advise the Board in relation to the preparation of the Board's remuneration report to shareholders;
 - 5.1.10 to 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 (the "**Listing Rules**");
 - 5.1.11 to keep the Board fully informed of its actions; and
 - 5.1.12 to consider other topics, as defined by the Board from time to time.
- 5.2 For the purpose of this term of reference, "**senior management**" should refer to the same category of persons as referred to in the Company's annual report and is required to be disclosed under paragraph 12 of Appendix 16 to the Listing Rules.
- 5.3 In carrying out its duties under these terms of reference, the Remuneration Committee should:
- 5.3.1 provide the packages needed to attract, retain and motivate executive directors of the quality required to run the Company successfully, without paying more than necessary;
 - 5.3.2 be sensitive to the wider scene, including pay and employment conditions elsewhere, especially when determining annual salary increases;

- 5.3.3 ensure that the performance-related elements of remuneration form a significant proportion of the total remuneration package of executive directors and should be designed to align their interest with those of shareholders and to give these directors keen incentives to perform at the highest levels; and
- 5.3.4 ensure that executive share options (if any) are offered in accordance with the Listing Rules (as amended from time to time).

6 Reporting Responsibilities

- 6.1 The Chairman of Remuneration Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 6.2 The Remuneration Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 6.3 The Remuneration Committee shall disclose in the annual report a summary of its work during the year and any other information as required by the Listing Rules.

7 Frequency of Meetings

- 7.1 Meetings shall be held as and when appropriate, but as least annually.
- 7.2 Except for provided herein, proceedings of the Remuneration Committee's meetings shall be governed by the provisions contained in the Bye-laws of the Company.

8 Attendance

- 8.1 As necessary or desirable, the Chairman may request that members of management be present at the meeting of the Remuneration Committee.
- 8.2 Meetings may be held by way of telephone conference.

9 Minutes of Meetings

- 9.1 Full minutes of the Remuneration Committee meetings shall be kept by the Company Secretary. Draft and final versions of minutes of the meetings shall be sent to all members of the Remuneration Committee for their comment and records within a reasonable time after the meeting.
- 9.2 The Company Secretary shall circulate the minutes of meeting of the Remuneration Committee to all members of the Board.

10 Annual General Meeting

The Chairman of the Remuneration Committee (or in his absence, his duly appointed delegate) shall attend the Annual General Meeting of the Company prepared to respond to any shareholder questions on the Remuneration Committee's activities.

11 General

The Remuneration Committee should make available these terms of reference, explaining its role and the authority delegated to it by the Board by including them on the websites of The Stock Exchange of Hong Kong Limited and of the Company.