



KINGWORLD MEDICINES GROUP LIMITED
金活醫藥集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 01110)

**TERMS OF REFERENCE OF
THE REMUNERATION COMMITTEE
OF THE BOARD OF DIRECTORS**

(Updated on 30 December 2022)

1 Constitution

- 1.1 The Remuneration Committee is established by the Board of Directors (the “Board”) of Kingworld Medicines Group Limited (the “Company”) to advise it on the establishment and administration of a formal and transparent procedure for setting policy on remuneration for directors and senior management and employees of the Company and its subsidiaries and for fixing their remuneration packages.

2 Membership

- 2.1 The Remuneration Committee shall comprise not less than 3 directors, the majority of whom should be independent non-executive directors.
- 2.2 The Board shall appoint the chairman of the Remuneration Committee (the “Chairman”) who shall be an independent non-executive director sitting on the Remuneration Committee.

3 Secretary of the Remuneration Committee

- 3.1 The company secretary of the Company or a person appointed by the Remuneration Committee from time to time shall act as the secretary of the Remuneration Committee.

4 Meetings

- 4.1 The Remuneration Committee shall meet at least twice a year. The Chairman may request to hold meetings of the Remuneration Committee as necessary.
- 4.2 The quorum for meetings of the Remuneration Committee shall be 2 members, one of whom must be an independent non-executive director.
- 4.3 Before each meeting of the Remuneration Committee, all members shall declare their interests in those matters proposed to be considered at the meeting. Any member or any of his associates (as defined in The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as modified from time to time) who has a significant interest in a matter proposed to be considered at the meeting shall not be entitled to vote on that matter and his attendance shall not be counted in the quorum.
- 4.4 Minutes of the Remuneration Committee meetings shall record in sufficient detail the matters considered in the meetings and decisions reached, including any concerns raised and dissenting views expressed by the members. Draft and final versions of minutes of the meetings shall be sent by the secretary of the Remuneration Committee to all Remuneration Committee members for their comment and records, within a reasonable time after the board meeting is held. Full minutes of the Remuneration Committee meetings shall be kept by the secretary of the Remuneration Committee and a signed version of the minutes shall be submitted to the Board.

5 Authority

- 5.1 The Remuneration Committee is authorised to investigate any activity within this terms of reference. The Remuneration Committee is also authorised to seek any information it may require from any director or employee of the Company or its subsidiaries, and all directors and employees of the Company or its subsidiaries shall cooperate with the Remuneration Committee.
- 5.2 The Remuneration Committee should be provided with sufficient resources to perform its duties. The Remuneration Committee is authorised to seek independent professional advice if necessary.

6 Duties

- 6.1 The Remuneration Committee shall perform the following duties:
 - 6.1.1 to make recommendations to the Board on the Company's policy and structure for all directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
 - 6.1.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
 - 6.1.3 to make recommendations to the Board on the remuneration packages of individual executive directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
 - 6.1.4 to make recommendations to the Board on the remuneration of non-executive directors;
 - 6.1.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
 - 6.1.6 to 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;
 - 6.1.7 to 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;

- 6.1.8 to ensure that no director or any of his associates is involved in deciding his own remuneration;
- 6.1.9 to consult the chairman and/or chief executive about their remuneration proposals for other executive directors;
- 6.1.10 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”); and
- 6.1.11 to consider and implement other matters, as defined or assigned by the Board or otherwise required by the Listing Rules from time to time.

7 Annual General Meeting

- 7.1 The Chairman (or, in the absence of the Chairman, another member of the Remuneration Committee or failing this his duly appointed delegate) shall, at the request of the Board, attend the Annual General Meeting of the Company and be prepared to respond to questions thereat.

8 Other

- 8.1 English and Chinese versions of these terms of reference shall be published on the respective websites of the Company and the Stock Exchange. In case of discrepancy between the English and Chinese version of these terms of reference, the English version shall prevail.

March 2012