



EXTRAWELL PHARMACEUTICAL HOLDINGS LIMITED

精優藥業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00858)

REMUNERATION COMMITTEE — TERMS OF REFERENCE

1. MEMBERSHIP

- 1.1 The remuneration committee (the “**Committee**”) established by the board of directors (the “**Board**”) of Extrawell Pharmaceutical Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) shall consist of not less than three members appointed by the Board and a majority of whom shall be independent non-executive directors (“**INEDs**”).
- 1.2 The chairman of the Committee shall be appointed by the Board and shall be an INED.

2. SECRETARY

- 2.1 The company secretary of the Company or a nominee by the Board shall act as the secretary of the Committee.
- 2.2 The secretary of the Committee shall keep full records of all resolutions passed by the Committee.

3. FREQUENCY AND PROCEEDINGS OF MEETINGS

- 3.1 The Committee shall meet at least once a year. Additional meetings shall be held as the work of the Committee demands or it may consider appropriate.
- 3.2 The quorum of a meeting shall be two members, one of whom shall be an INED.
- 3.3 The chairman of the Committee shall be the chairman of the meeting, and in the absence of the chairman of the Committee, the remaining members present shall elect one of themselves who is an INED to chair the meeting.
- 3.4 A resolution in writing signed by all the members of the Committee shall be as valid and effectual as a resolution passed at a meeting of the Committee.
- 3.5 The meetings and proceedings of the Committee are governed by the relevant provisions of the Company’s bye-laws (as amended from time to time).

4. AUTHORITY

- 4.1 The Committee shall be provided with sufficient resources to perform its duties and have access to independent professional advice if considered necessary.
- 4.2 The Committee shall consult the chairman of the Board and/or chief executive officer of the Company about their remuneration proposals for other executive directors.

4.3 No member of the Committee shall be involved in deciding his/her own remuneration.

5. DUTIES AND RESPONSIBILITIES

5.1 To make recommendations to the Board on:

- (i) the Company's policy and structure for all directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (ii) the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment); and
- (iii) the remuneration of non-executive directors.

5.2 To consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group.

5.3 To review and approve:

- (i) the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (ii) 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; and
- (iii) 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.

5.4 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**").

5.5 To ensure that no director or any of his/her associates is involved in deciding that director's own remuneration.

5.6 To consider and implement other relevant matters, as defined or assigned by the Board or otherwise required by the Listing Rules from time to time.

6. REPORTING TO THE BOARD

The Committee shall report to the Board on its findings, decisions or recommendations after a meeting or written resolution of the Committee.

7. PUBLICATION OF THE TERMS OF REFERENCE

The terms of reference of the Committee are published on the respective websites of The Stock Exchange of Hong Kong Limited and the Company.

Hong Kong, 30 December 2022

* *For identification purpose only*