

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

(as approved by the board of directors on 22 December 2022 and effective on 1 January 2023)

1. Matters of the Remuneration Committee concerning the composition, number of members, duties and powers, rules of proceedings and resources that TOT BIOPHARM International Company Limited (the “**Company**”) should provide when the Remuneration Committee exercises its authority etc., shall be governed by the provisions of these Terms of Reference.
2. Members
 - 2.1 The chairperson of the Remuneration Committee (the “**Chairperson**”) shall be an independent non-executive director, and the majority of its members shall be independent non-executive directors.
3. Authority
 - 3.1 The Remuneration Committee is granted the authority to act within these Terms of Reference.
 - 3.2 The Remuneration Committee shall be provided with sufficient resources to perform its duties.
 - 3.3 The Remuneration Committee is authorised by the Board of Directors, at the Company’s expense but subject to prior discussion with the Board of Directors on costs, to obtain outside legal or other independent professional advice as necessary to assist the Remuneration Committee if it considers necessary.
 - 3.4 The Remuneration Committee is authorized by the Board of Directors to consult the chairperson of the Board of Directors and/or the chief executive officer of the Company about the remuneration proposals for other executive directors of the Company.

4. The Remuneration Committee shall perform the following duties:
 - 4.1 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.
 - 4.2 To review and approve the management's remuneration proposals with reference to the Company's goals and objectives set by the Board of Directors.
 - 4.3 To make recommendations to the Board of Directors on the remuneration packages of individual executive directors and senior management. These should include benefits in kind, pension rights and compensation payments (including compensation payable for loss or termination of office or appointment).
 - 4.4 To make recommendations to the Board of Directors on the remuneration of non-executive directors.
 - 4.5 To consider remuneration, time commitment and responsibilities of comparable companies and terms of employment of other positions of the Company.
 - 4.6 To review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that such compensation is consistent with terms of the contract, and is otherwise fair, reasonable and not excessive.
 - 4.7 To review and approve compensation arrangements relating to the dismissal or removal of directors for misconduct, so as to ensure that such arrangements are consistent with the terms of the contract, and are otherwise reasonable and appropriate.
 - 4.8 To ensure that no director or any of his/her associates is involved in deciding his/her own remuneration.
 - 4.9 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, including any grants of options or awards to directors, senior management, consultants and employees and to make disclosures and give explanation on the appropriateness to such material matters (if any) being approved in the corporate governance report.
 - 4.10 To report to the Board of Directors on matters relating to the provisions of these Terms of Reference.
 - 4.11 To study other issues as defined by the Board of Directors.

5. The Chairperson should attend the Annual General Meeting of the Company and be prepared to answer any questions raised by the shareholders concerning the activities and the responsibilities of the Remuneration Committee. If the Chairperson is unable to attend, a member of the Remuneration Committee must attend the Annual General Meeting of the Company. Such member should be prepared to answer any questions regarding the activities of the Remuneration Committee raised by the shareholders.
6. The role of the Remuneration Committee and its scope of authority as granted 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.
7. Meeting and records
 - 7.1 The Remuneration Committee should hold at least one meeting every year, and additional meetings of the Remuneration Committee may be held when necessary.
 - 7.2 Meetings of the Remuneration Committee may be convened by any of its members or the company secretary. Unless agreed by all members of the committee, at least 14 days' notice shall be given before the meeting. Regardless of the length of the notice period, if a member of the committee is present at the meeting, he/she shall be deemed to have agreed to waive the notice period unless, at the beginning of the meeting, such member attending the meeting is present to express his/her objection to the meeting's handling of any matters on the ground that the meeting has not been properly convened.
 - 7.3 The Chairperson shall preside over all meetings of the committee. In his/her absence, he/she shall be substituted by a representative appointed by the Chairperson. The Chairperson shall be responsible for leading the committee, including arranging for meeting, preparing agenda and reporting to the Board of Directors regularly.
 - 7.4 At the invitation of the Chairperson and/or the Board of Directors, other directors, senior management, external consultants and other persons may be invited to attend the whole or part of any meetings. But only members of the committee may vote at the meeting.
 - 7.5 Meetings can be held in person, by telephone or through video conference, but all participants must be able to hear each other.
 - 7.6 Any resolution of the Remuneration Committee shall be passed by a majority of members present in a meeting.

7.7 The company secretary shall attend all meetings of the committee (except for legitimate reasons, for instance, when he/she is required to abstain from attending the meeting due to conflicts of interest) and take minutes regarding all discussions in any meetings of the Remuneration Committee and the minutes shall record the following matters in details:

- 1) Session, time, date and location of the meeting;
- 2) Name of the chairperson of the meeting;
- 3) Attendance of members, including the name and number of members who are present, on leave or absent;
- 4) Name of person who took the minutes;
- 5) Matters reported in the meeting;
- 6) Matters discussed in the meeting; and
- 7) Other matters that should be recorded.

7.8 The draft and final version of the minutes of the Remuneration Committee meeting shall be sent to all members of the Remuneration Committee for comment and record within a reasonable time after the meeting. The final version of the minutes of the meeting shall be signed by the Chairperson or by the chairperson of that meeting.

7.9 A complete record of all minutes of the Remuneration Committee shall be kept by the secretary officially appointed for such meetings (who is usually the company secretary) and shall be available for inspection by the members of the Remuneration Committee or the members of the Board of Directors at any reasonable time upon reasonable notice.

8. Meeting agenda of the Remuneration Committee shall be determined by the convener. Other members may also propose motion for the Remuneration Committee to discuss.

9. Members of the Remuneration Committee should avoid participating in any discussion on matters that concern their own interests.

10. The Remuneration Committee shall regularly review matters relating to these Terms of Reference and submit any amendments to the Board of Directors. These Terms of Reference are implemented after being approved by the Board of Directors.