

Shanghai Pharmaceuticals Holding Co., Ltd.

Implementation Rules of the Remuneration and Assessment

Committee of the Board of Directors

Chapter 1 General Provisions

Article 1 These implementation rules are formulated for the remuneration and assessment committee (the "**Remuneration and Assessment Committee**") of the Board of Directors (the "**Board**") established by Shanghai Pharmaceuticals Holding Co., Ltd. (the "**Company**") in accordance with the *Company Law of the People's Republic of China*, *Measures for the Administration of Independent Directors of Listed Companies*, the *Standards on Corporate Governance of Listed Companies*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the "**Listing Rules of the Stock Exchange**"), *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 - Standardized Operation*, the *Articles of Association* and other relevant regulations, in order to improve the assessment and remuneration management system for directors, the President and other senior management members and optimise the corporate governance structure of the Company.

Article 2 The Remuneration and Assessment Committee, as a body specifically set up under the Board, is mainly responsible for formulating the assessment standards on directors, the President and other senior management members of the Company and implementing the assessments as well as formulating and examining the remuneration policies and packages for directors, the President and other senior management members of the Company, and shall report to the Board.

Article 3 For the purpose of these rules, unless otherwise specified, the reference to "directors" shall represent non-independent directors of the Company, and the senior management members shall include President, Vice President, Chief Financial Officer, Secretary to the Board and other officers performing same or similar duties thereof.

Chapter 2 Composition

Article 4 The Remuneration and Assessment Committee shall consist of three (3) directors (including independent directors), a majority of which shall be independent directors.

Article 5 Members of the Remuneration and Assessment Committee shall be nominated by the Chairman of the Board, one-half (1/2) or more of the independent directors or one-thirds (1/3) or more of all directors, and shall be elected by the

Board.

Article 6 The Remuneration and Assessment Committee shall have one (1) convener who shall be an independent director to preside over the committee. The convener shall be elected from the members, subject to approval by the Board.

Article 7 The term of office of the Remuneration and Assessment Committee shall be in congruence with that of the Board. Members may be re-elected and re-appointed upon the expiry of their terms of office. If a member no longer maintains the position as a director of the Company during the term, he or she shall automatically lose the qualification as a member of the committee, and the Board shall fill up the vacancy in accordance with Article 4 to Article 6 hereinbefore.

Article 8 A dedicated work team shall be established under the Remuneration and Assessment Committee to provide information on the Company's operations and persons to be appraised, prepare meetings and implement relevant resolutions of the Remuneration and Assessment Committee.

Chapter 3 Duties and Authorities

Article 9 Main duties and authorities of the Remuneration and Assessment Committee include:

(1) to study and examine remuneration policies or packages for directors, the President and other senior management members with reference to main scope of work, duties and importance of their positions, corporate policies, objective and targets and the remuneration level of similar positions in other comparable enterprises;

(2) remuneration policies or packages include but are not limited to standards and procedures of performance assessment and key assessment system as well as major scheme and system of incentive and punishment;

(3) to review the duty performance of directors, the President and other senior management members of the Company, conduct annual performance assessment on them and make recommendations to the Board on remuneration, bonus and/or compensation;

(4) to monitor the implementation of the remuneration system and the performance of service contracts by directors, the President and other senior management members of the Company;

(5) formulate or change equity incentive plans and employee stock ownership plans, and make recommendations to the board of directors;

(6) to make recommendations to the Board of Directors on the granting of benefits and the achievement of the conditions for exercising rights and interests of incentive recipients;

(7) to advise the Board of Directors on the arrangement of stock ownership plans by directors and senior management in the proposed spin-off subsidiary;

(8) to review and/ or approve matters relating to the share scheme under the Chapter 17 of the Listing Rules of the Stock Exchange; and

(9) other duties provided by laws, regulations and regulatory documents or authorised by the Board.

If the board of directors does not adopt or does not fully adopt the recommendations of the remuneration and appraisal committee, it shall record the opinions of the remuneration and appraisal committee and the specific reasons for not adopting them in the resolution of the board of directors, and disclose them.

Article 10 The Board has the right to veto any remuneration plan or package that is harmful to the interests of shareholders.

Article 11 Implementation of the remuneration plan for directors proposed by the Remuneration and Assessment Committee is subject to approval by the Board and consideration and approval at the shareholders' general meeting. Implementation of the remuneration packages for the President and other senior management members of the Company is subject to these rules, the *Articles of Association* and the *Business Performance Assessment and Remuneration Management Methods on Senior Management of Shanghai Pharmaceuticals Holding Co., Ltd.*

Chapter 4 Decision-making Procedures

Article 12 The work team under the Remuneration and Assessment Committee is responsible for preliminary preparations and providing the following information of the Company for the Remuneration and Assessment Committee to make decisions:

(1) satisfaction of the key financial indicators and business targets of the Company;

(2) respective scope of work and major duties of directors, the President and other senior management members of the Company;

(3) satisfaction of the indicators involved in the post-performance assessment system by directors, the President and other senior management members;

(4) the business performance attributable to business innovation and profit-making capabilities of directors, the President and other senior management members; and

(5) relevant calculation basis for determining the Company's remuneration distribution plan and method according to its business results.

Article 13 In conducting assessment on directors, the President and other senior management members, the Remuneration and Assessment Committee shall follow the procedures as below:

(1) directors, the President and other senior management members of the Company submit work reports and self evaluations to the Remuneration and Assessment Committee of the Board;

(2) the Remuneration and Assessment Committee conducts performance assessment on directors, the President and other senior management members in accordance with performance assessment standards and procedures;

(3) the amount of remunerations and incentive methods for directors are proposed based on the results of post performance assessment and the remuneration distribution policy and, upon the affirmative vote, are submitted to the Board for review. Upon approval by the Board, the same are submitted for

consideration and approval by the shareholders' general meeting; and

(4) the amount of remunerations and incentive methods for the President and other senior management members are proposed based on the results of post performance assessment and the remuneration distribution policy and, upon the affirmative vote, are submitted to the Board for its confirmation.

Chapter 5 Rules of Procedure for Meetings

Article 14 Meetings of the Remuneration and Assessment Committee shall be convened at least once (1) every year. A notice of meeting shall be given to all members three(3) days prior to the meeting and provide relevant materials and information. The meetings shall be chaired by the convener who, if unable to attend the meeting, may appoint another member (being independent director) to chair the meeting.

Article 15 The quorum of the meetings of the Remuneration and Assessment Committee shall be two-thirds (2/3) or more of all its members, each having one (1) ballot for voting. Resolutions of the meetings shall be passed by a majority of all members.

Article 16 The meeting of the Remuneration and Appraisal Committee shall be held on-site in principle, and the voting method shall be a show of hands or a vote. On the premise of ensuring that all participating members can fully communicate and express their opinions, it may be convened by video, telephone or other means in accordance with the procedures when necessary.

Article 17 Directors, supervisors, the President and other senior management members of the Company may be invited by the Remuneration and Assessment Committee to attend its meeting as observers when necessary.

Article 18 If necessary, the Remuneration and Assessment Committee may engage intermediary agencies to provide professional advice for its decision-making at the Company's expense.

Article 19 When a matter in connection with a member of the Remuneration and Assessment Committee is considered at the meeting, the person concerned and any of his/her associates shall withdraw from such consideration.

Article 20 The convening procedures and voting method of the meetings of the Remuneration and Assessment Committee and the remuneration policy and distribution scheme passed at such meetings shall be in compliance with the relevant laws, regulations, the Articles of Association and these rules.

Article 21 Minutes shall be made for the meetings of the Remuneration and Assessment Committee, bearing signatures of the members present at the meetings. The minutes of the meeting shall be kept by the Secretary to the Board.

Article 22 The findings within the terms of reference of the Remuneration and Assessment Committee shall be reported to the Board.

Resolutions and voting results of the meetings of the Remuneration and Assessment Committee shall be submitted to the Board for its confirmation.

Article 23 All members present at the meeting are obligated to keep confidential the matters considered at the meeting, and shall not disclose the

relevant information without authorisation.

Chapter 6 Supplementary Provisions

Article 24 For the purpose of these rules, the reference to "at least" shall include the underlying number.

Article 25 These rules shall come into effect on a trial basis from the date of approval by the Board by way of resolution.

Article 26 The matters not covered by these rules shall be governed by the relevant laws and regulations of the PRC, the *Listing Rules of the Stock Exchange*, the *Articles of Association* and the *Rules of Procedure of the Board of Directors*. In case of any discrepancy between these rules and any laws and regulations promulgated in the PRC in the future, the *Listing Rules of the Stock Exchange* as revised from time to time or the *Articles of Association* or the *Rules of Procedure of the Board of Directors* amended through legitimate procedures, the latter shall govern and prevail and these rules shall be amended forthwith, subject to consideration and approval by the Board.

Article 27 These rules shall be interpreted by the Board.

Shanghai Pharmaceuticals Holding Co., Ltd.

Board of Directors

21st December, 2023