



AIM Vaccine Co., Ltd.
艾美疫苗股份有限公司

**Terms of Reference of the Remuneration and
Appraisal Committee of the Board of Directors**
(as approved by the board of directors on April 19, 2024)

Chapter 1 General Provisions

Article 1 Pursuant to the Company Law of the People’s Republic of China (hereinafter the “**Company Law**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter the “**Listing Rules**”), the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, and other relevant laws, regulations, regulatory documents as well as the Articles of Association of AIM Vaccine Co., Ltd. (hereinafter the “**Articles of Association**”) applicable after the issuance of H shares, AIM Vaccine Co., Ltd. (hereinafter the “**Company**”) hereby, in accordance with the resolution of the Board of Directors (the “**Board**”), establishes the Remuneration and Appraisal Committee of the Board of Directors (hereinafter the “**Remuneration and Appraisal Committee**”) and formulates the Terms of Reference of the Remuneration and Appraisal Committee of the Board (hereinafter the “**Terms of Reference**”) based on the actual conditions of the Company, in order to establish and further improve the remuneration and appraisal management system of the Company, and enhance its corporate governance structure.

Article 2 The Remuneration and Appraisal Committee is a specialised working body set up under the Board. It is mainly responsible for researching and formulating the assessment standards of and evaluating the Company’s directors and senior management, as well as putting forward opinions or suggestions. It is also responsible for researching, formulating and reviewing the remuneration plans or schemes of the Company’s directors and senior management.

Article 3 Directors mentioned in the Terms of Reference refer to the directors who receive remuneration from the Company, and the senior management refers to the general manager, secretary to the Board, chief financial officer, chief technical officer, chief operating officer and other senior management personnel of the Company expressly appointed by the Board. The “general manager” mentioned in the Terms of Reference refers to the “manager” mentioned in the Company Law.

Chapter 2 Composition

Article 4 The Remuneration and Appraisal Committee shall consist of an odd number of over three directors, with a majority of independent non-executive directors.

Article 5 Members of the Remuneration and Appraisal Committee shall be nominated by the chairman of the Board or the Nomination Committee of the Board, and shall be elected by more than half of directors of the Board. After the proposal for electing members of the Remuneration and Appraisal Committee has been approved, the new members of the Remuneration and Appraisal Committee shall take office immediately after the conclusion of the meeting of the Board.

Article 6 The members of the Remuneration and Appraisal Committee shall be appointed and removed by the Board. The Remuneration and Appraisal Committee shall report its work to the Board from time to time.

Article 7 The Remuneration and Appraisal Committee shall have one convener being the chairman of the Remuneration and Appraisal Committee, who shall be an independent non – executive director. The chairman of the Remuneration and Appraisal Committee shall be appointed by the Board and shall be responsible for presiding over the works of the Remuneration and Appraisal Committee. When the chairman of the Remuneration and Appraisal Committee is unable to or fails to perform his/her duties, an independent non-executive director shall be elected by over half of the members to perform the chairman’s duties.

Article 8 The term of office of the Remuneration and Appraisal Committee shall be the same as that of the Board. A member may serve consecutive terms if re-elected upon expiry of his/her term of office. During his/her term of office, if any member ceases to be a director of the Company, or any member with the capacity of an independent non-executive director ceases to have the independence as stated in the Articles of Association and the Listing Rules, his/her membership in the Remuneration and Appraisal Committee shall lapse automatically. A member of the Remuneration and Appraisal Committee may submit his/her resignation report in writing to the Board prior to the expiry of his/her term of office to resign from his/her position in the Remuneration and Appraisal Committee. The resignation report shall contain such reasons for resignation and matters which require the attention of the Board as necessary. Upon the loss of qualification or permission to resign, the position(s) vacated by such member(s) shall be filled by the Board according to relevant laws, regulations, regulatory documents and the provisions of Articles 4 to 7 as set forth above, the substitute member(s) shall hold office until the expiration of his/her term of office as a director or independent non-executive director. A member of the Remuneration and Appraisal Committee shall not, before the expiry of his/her term of office, be relieved of his/her duties without causes except for the situations that prevent such member from holding office as specified in the Company Law, the Articles of Association or the Listing Rules.

The company secretary (or any one of the joint company secretaries) shall be the secretary of the Remuneration and Appraisal Committee.

Chapter 3 Duties and Authorities

Article 9 The main duties and authorities of the Remuneration and Appraisal Committee are:

- (I) to make recommendations to the Board on 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 based on the main scope, responsibility and importance of the respective positions of directors and senior management and the remuneration of the same position paid by comparable companies;
- (II) to review and approve the remuneration proposals of the management with reference to the corporate goals and objectives approved and set by the Board from time to time;
- (III) to examine the performance of duties by the directors and senior management of the Company, to conduct annual performance appraisals on them, and to formulate annual incentives schemes which shall be submitted to the Board for approval and implementation;

- (IV) to supervise the implementation of the Company's remuneration system;
- (V) to make recommendations to the Board on the determination of the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payments (including compensation payable for loss or termination of office or appointment), and to make recommendations to the Board on the remuneration of non-executive directors;
- (VI) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- (VII) to consult the chairman of the Board or the general manager in respect of the remuneration proposed for other executive directors. The Remuneration and Appraisal Committee shall seek independent professional opinions if necessary;
- (VIII) to review and approve the compensation payable to executive directors and senior management for any loss or termination of office or appointment, so as to ensure that such compensation is consistent with the contractual terms and is otherwise fair, reasonable and not excessive;
- (IX) 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 contractual terms and are otherwise reasonable and appropriate;
- (X) to make recommendations to the Board on disclosure of directors' remuneration (including policy for the remuneration of executive directors, details of remuneration of certain individuals and other terms and conditions) in the annual report on directors' remuneration (if applicable) sent by the Board to the shareholders of the Company;
- (XI) to ensure that no directors or any of their associates, as defined in the Listing Rules, shall participate in determining those directors' own remuneration, and that the remuneration of non-executive directors who are also members of the Remuneration and Appraisal Committee shall be determined by other members of the Remuneration and Appraisal Committee;
- (XII) to review incentives schemes and directors' service contracts;
- (XIII) to review and/or approve the matters relating to share schemes under Chapter 17 of the Listing Rules; and
- (XIV) other matters prescribed by relevant laws, administrative regulations, the Listing Rules and the Articles of Association and authorized by the Board.

Article 10 The remuneration plans or schemes proposed by the Remuneration and Appraisal Committee shall not prejudice the interests of the shareholders. The Board shall have the right to reject any remuneration plans or schemes that prejudice the interests of the shareholders.

Article 11 The remuneration plans or schemes for the directors of the Company proposed by the Remuneration and Appraisal Committee shall be approved by the Board and submitted to a shareholder's general meeting for consideration and approval before implementation (if applicable). The remuneration plans or schemes for the senior management of the Company shall be reported to the Board for approval. The Remuneration and Appraisal Committee shall be accountable to the Board and proposals of the Remuneration and Appraisal Committee shall be submitted to the Board for consideration. Relevant departments of the Company shall be obligated to cooperate with the Remuneration and Appraisal Committee and provide relevant materials. The Remuneration and Appraisal Committee shall be provided with sufficient resources to perform its duties.

In accordance with the Listing Rules, the above service contracts of directors, which are subject to the shareholders' approval, include:

- (I) service contracts with a term of more than three years; or
- (II) contracts which may not be terminated by the Company unless more than one year's notice is given or compensation or other payments amounting to more than one year's emoluments are made.

The Remuneration and Appraisal Committee shall make comments on the above service contracts of directors which are subject to the shareholders' approval, notify shareholders on whether relevant contract terms are fair and reasonable, whether relevant contracts are in the interests of the Company and its shareholders as a whole, and shall put forward opinions on how shareholders (other than those shareholders who are directors and have a material interest in such service contracts, as well as associates thereof) should vote.

Article 12 The Remuneration and Appraisal Committee shall make available the Terms of Reference explaining its role and the authority delegated to it by the Board on The Stock Exchange of Hong Kong Limited's website and the Company's website.

Chapter 4 Working Procedures

Article 13 The human resource and administration department of the Company is the daily working body of the Remuneration and Appraisal Committee. It is responsible for providing information on the human resources of the Company and the relevant information of the persons to be appraised, preparing meetings of the Remuneration and Appraisal Committee and implementing relevant resolutions of the Board and the Remuneration and Appraisal Committee.

Article 14 The human resource and administration department of the Company is in charge of the preliminary preparation for the decision-making of the Remuneration and Appraisal Committee. It provides the following information of the Company:

- (I) major financial indicators and fulfilment of operation objectives of the Company;
- (II) the scope of work and performance of main duties of the directors and senior management of the Company;
- (III) extent of fulfilment of indicators in performance evaluation system of the directors and senior management of the Company;

- (IV) the business performance driven by the business innovation capability and profit – making ability of directors and senior management of the Company;
- (V) relevant calculation basis of the remuneration plans or schemes formulated according to the results of the Company;
- (VI) maintaining daily working contact with the intermediary designated by the Remuneration and Appraisal Committee; and
- (VII) providing information on various remuneration systems and their implementation situation across the Company at the request of the Remuneration and Appraisal Committee.

The Remuneration and Appraisal Committee performs the main duties under Article 9 of the Terms of Reference based on the information provided by the human resource and administration department of the Company.

The chairman of the Remuneration and Appraisal Committee or (if the chairman is absent) another member of the Remuneration and Appraisal Committee (who must be an independent non-executive director) shall attend the annual general meeting of the Company and respond to the shareholders' enquiry on the activities and responsibilities related to the Remuneration and Appraisal Committee.

Chapter 5 Rules of Procedure

Article 15 The meetings of the Remuneration and Appraisal Committee shall be held at least once a year. An interim meeting of the Remuneration and Appraisal Committee may be convened when the chairman of the Remuneration and Appraisal Committee deems it necessary upon the proposal of more than half of the members of the Remuneration and Appraisal Committee or the recommendation of the chairman of the Board.

Article 16 The meetings of the Remuneration and Appraisal Committee shall be convened by the chairman of the Remuneration and Appraisal Committee. Notices of meetings, signed by the chairman of the Remuneration and Appraisal Committee, and materials for meetings shall be given to all members of the Remuneration and Appraisal Committee three days prior to the meeting (excluding the date of the meeting). Upon unanimous consent of all members of the Remuneration and Appraisal Committee, the requirement for such prior notice period may be exempted.

Article 17 The meetings of the Remuneration and Appraisal Committee shall be presided over by the chairman of the Remuneration and Appraisal Committee; if the chairman is unable to attend, he/she may entrust another independent non-executive director to preside over the meeting.

Article 18 The quorum of meetings of the Remuneration and Appraisal Committee shall be at least two-thirds of the members, one of whom must be an independent non-executive director; if a member is unable to attend a meeting, he/she may by a written power of attorney appoint another member to attend and vote at the meeting on his/her behalf. The power of attorney shall set out the name of the proxy, the subject and scope of authorization and the validity period of the power of attorney, and shall be signed or officially sealed by the principal and submitted to the presider of the meeting no later than the commencement of voting.

The resolutions made at the meeting shall be approved by more than half of all members, and relevant resolutions or opinions shall be signed by the participating members of the Remuneration and Appraisal Committee. Each member shall have one vote and may vote “for”, “against” or “abstain” from voting on a given matter. Where the respective votes for and against a resolution are equal in number, the chairman of the Remuneration and Appraisal Committee shall have a casting vote.

Article 19 Meetings of the Remuneration and Appraisal Committee may be held by on-site meetings, tele-conferences, video conferences, circulation of documents, facsimile, email or other appropriate means.

Article 20 The Remuneration and Appraisal Committee may invite the directors, senior management and external advisors of the Company to attend such meetings when necessary. Persons attending the meetings may explain or illustrate the matters discussed at the meetings, but non-members of the Remuneration and Appraisal Committee shall have no voting rights.

Article 21 The Company shall provide sufficient resources to the Remuneration and Appraisal Committee to perform its duties. The senior management and relevant departments of the Company shall adopt a cooperative and supportive attitude towards the Remuneration and Appraisal Committee, provide relevant information and actively cooperate with the Remuneration and Appraisal Committee. Where necessary, the Remuneration and Appraisal Committee may engage independent intermediaries to provide professional advice on its decision-making at the reasonable cost of the Company.

Article 22 A member of the Remuneration and Appraisal Committee shall recuse from the discussions when he/she is the subject matter of the proposal discussed at the meeting of the Remuneration and Appraisal Committee.

Article 23 The convening procedures, voting method and approved remuneration policies and allocation schemes of the meetings of the Remuneration and Appraisal Committee shall comply with the relevant laws, regulations, the Articles of Association and the Terms of Reference.

Article 24 Minutes of meetings of the Remuneration and Appraisal Committee shall be prepared, on which members present at the meeting shall sign. Minutes of meetings of the Remuneration and Appraisal Committee shall be sent to all members of the Board and kept by the secretary to the Remuneration and Appraisal Committee.

Article 25 Resolutions passed by the Remuneration and Appraisal Committee and the voting results shall be reported in writing to the Board for consideration.

Article 26 Members present at meetings of the Remuneration and Appraisal Committee, and those present as observers, shall owe a duty of confidentiality as regards matters discussed during such meetings. No unauthorized disclosure of such information shall be allowed, unless otherwise stipulated under relevant laws, regulations and/or rules of regulatory bodies.

Chapter 6 Supplementary Provisions

Article 27 The phrases “more than” as referred to herein is inclusive of the number while “majority” is exclusive of the number.

Article 28 Upon consideration and approval of the Board, the Terms of Reference shall come into effect and be implemented from the day on which the overseas listed foreign shares (H shares) in the Company’s initial public offering are listed and traded on The Stock Exchange of Hong Kong Limited. The Board shall be responsible for amending and interpreting the Terms of Reference.

Article 29 Matters not covered herein shall be implemented in accordance with the provisions of relevant laws, regulations, departmental rules, the Listing Rules and the Articles of Association. Where the Terms of Reference conflict with any provisions of relevant laws, regulations, departmental rules, the Listing Rules and any other relevant regulatory rules of the place(s) where the shares of the Company are listed, or the Articles of Association, such relevant laws, regulations, departmental rules, the Listing Rules and any other relevant regulatory rules of the place(s) where the shares of the Company are listed and the Articles of Association shall prevail, and the Terms of Reference shall be amended accordingly as soon as practicable and submitted to the Board for consideration and approval.