麗珠醫藥集團股份有限公司
LIVZON PHARMACEUTICAL GROUP INC.*
(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 1513)

TERMS OF REFERENCE OF THE REMUNERATION AND ASSESSMENT COMMITTEE UNDER THE BOARD (ADOPTED ON 23 OCTOBER 2025)

1 MEMBERSHIP

(a) The Remuneration and Assessment Committee (hereinafter referred to as the "**Committee**") shall be appointed by the board of directors (hereinafter referred to as the "**Board**") of Livzon Pharmaceutical Group Inc.* (hereinafter referred to as the "**Company**"). The members of the Committee shall be nominated by the Chairman of the Board, more than half of the independent non-executive directors (hereinafter referred to as the "**INED(s)**") or one- third of all directors, and shall be elected by the Board. The Committee shall consist of not less than three members, a majority of whom shall be INEDs of the Company. The composition of the Committee shall comply with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**HK Listing Rules**") and the Stock Listing Rules of the Shenzhen Stock Exchange (hereinafter referred to as the "**Shenzhen Listing Rules**") from time to time.

(b) The Chairman of the Committee (the "**Chairman of the Committee**") shall be an INED, who shall be responsible for presiding over the Committee. The Chairman of the Committee shall be elected by the members of the Committee and submitted to the Board for approval.

(c) The term of office of the members of the Committee shall be equivalent to that of the Board member. Upon expiry of a term, a member shall be eligible to be re-elected. If any member resigns from the position of director of the Company during his/her term of office, he/she shall automatically cease to be a member of the Committee, and the vacancy shall be filled by the Committee in accordance with Article 1 hereto.

2 ATTENDANCE AT MEETINGS

(a) Unless otherwise stated herein, the meetings of the Committee shall be governed by the provisions contained in the Articles of Association for regulating the meetings and proceedings of directors, and the provisions of the relevant laws, regulations, the Articles of Association and these terms of reference shall be complied with.

(b) The quorum for a meeting of the Committee shall be more than two-thirds of all its members, all of whom must be INEDs. Each member has one vote. Resolutions shall be passed by a majority of all members present.

(c) The Chairman of the Board may be invited to attend meetings of the Committee, provided always that he/she shall not be present when his/her own remuneration package or benefits are being discussed.

(d) The Committee may, where appropriate, invite external advisers and/or members of the management of the Company to attend the meeting to advise its members, at the Company's expense.

(e) The company secretary (i.e. the Secretary of the Board) shall be the secretary of the Committee (hereinafter referred to as the "**Secretary of the Committee**") who should attend all meetings of the Committee. In the event that the Secretary of the Committee is absent, members attending the meeting can appoint other person to act as the secretary to such meeting.

(f) Members of the Committee may participate in a meeting of the Committee in person or by means of telephone conference or video conference or similar communications equipment where live communication between persons participating in the meeting is possible and participation in a meeting pursuant to this provision shall be deemed as attending such meeting in person.

3 FREQUENCY OF MEETINGS

The Committee shall hold its regular meetings at least once a year. Any member of the Committee may request an extraordinary meeting if he/she considers that one is necessary and upon the receipt of such request, the Secretary of the Committee shall convene a meeting as soon as reasonably practicable and having regard to the convenience of all members. Notices must be given to all members of the Committee seven days prior to a regular meeting and five days prior to an extraordinary meeting. These deadlines for serving notices can be waived where there is unanimous consent from all members of the Committee. The meeting agenda and all relevant meeting documents shall be distributed to all members no later than three days prior to the scheduled meeting date (or within such other time limit as agreed by the members). Meeting notice shall be delivered verbally, by facsimile, telephone, e-mail, hand, post or other means. The meeting shall be presided by the Chairman of the Committee and, where he/she is unable to attend the meeting, he/she may appoint another member (who must be an INED) to preside over the meeting.

Members of the Committee who have appointed a proxy to attend and vote on his/her behalf shall submit the instrument of proxy to the chairman of the meeting. The latest time for such submission shall be prior to the commencement of voting at the meeting.

4 COMMITTEE'S RESOLUTIONS

Subject to the requirements under the HK Listing Rules and/or the Shenzhen Listing Rules that any meeting of the Board or the Committee be held in person or by electronic communication, a written resolution signed by all members of the Committee shall be as valid and effective as if it had been passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more of the members of Committee. Such resolution may be signed and circulated by e-mail, fax or other electronic communications.

5 AUTHORITIES

(a) The Committee is authorised by the Board to review, assess and make recommendations upon any issue within its terms of reference. It is authorised to seek any information it requires from any employee or executive director and such persons are directed to co- operate with any request made by the Committee.

(b) The Committee is authorised by the Board, at the reasonable expense of the Company, to obtain outside legal or other independent professional advice and to invite outsiders with relevant experience and expertise to attend if it considers this necessary.

(c) The Committee is to be provided with sufficient resources to discharge its duties.

6 PURPOSE AND GENERAL RESPONSIBILITIES

(a) The purpose of the establishment of the Committee is to ensure the presence of a formal and transparent procedure for setting policy on the remuneration packages of the Chairman of the Board, the executive directors and the senior management of the Company.

(b) The Committee is to review and make recommendations concerning the remuneration packages and benefits of the Chairman of the Board, the executive directors and the senior management of the Company as an independent and impartial committee, which have no personal financial interest in the package and/or benefits recommended and who, in the setting of those remuneration packages, will consider and give due regard to both the performance levels of, and a fair reward for, the Chairman of the Board, executive directors and the senior management of the Company and to the interest of all the shareholders of the Company in the light of the financial and commercial circumstances of the Company from time to time. No director shall be involved in deciding his own remuneration.

(c) The Committee should utilise information obtained internally and externally to satisfy itself that basic salaries are competitive with current market conditions and that the total remuneration package/benefits are competitive with other companies of a similar size, business nature and scope as the Company.

(d) The Committee must ensure that the Chairman of the Board, the executive directors and the senior management of the Company are fairly rewarded in the light of their contribution to the Company and their performance and that they receive suitable incentives to maintain high standards of performance and to improve their, and the Company's performance.

(e) The Committee should consult the Chairman of the Board and/or chief executive of the Company about their remuneration proposals for other executive directors. The Committee should have access to independent professional advice if considered necessary.

(f) Save as otherwise provided by the relevant laws, regulations and/or regulatory authorities, the members of the Committee attending the meetings shall have an obligation to keep all matters discussed thereof confidential, and shall not disclose the relevant information without permission.

7 DUTIES

The main duties of the Committee are to formulate the assessment standards for and conduct assessment on the Chairman of the Board, the executive directors and senior management of the Company, develop and review the remuneration policies and proposals for the directors and senior management, and make recommendations to the Board on the following matters:

(1) remuneration of directors and senior management;

(2) to formulate or change the equity incentive scheme and employee share ownership scheme, and the rights and interests granted to incentive participants and satisfaction of the exercise conditions;

(3) to arrange the share ownership scheme for directors and senior management in proposed spin-off subsidiary;

(4) other matters required by the laws, administrative regulations, the China Securities Regulatory Commission and the Articles of Association; and

(5) other matters authorised by the Board.

Other duties of the Committee include:

(a) 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 such remuneration policy;

(b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

(c) 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;

(d) to make recommendations to the Board on the remuneration of non-executive directors;

(e) to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the group;

(f) to assess the performance of the Company's directors (including INEDs) and other senior management officers, and conduct annual performance assessments, and to monitor the implementation of the Company's remuneration system;

(g) 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;

(h) 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;

(i) to ensure that no director or any of his associates (as defined in the HK Listing Rules) is involved in deciding his/her own remuneration;

(j) to ensure the Chairman of the Committee, or in the absence of the Chairman of the Committee, another member of the Committee or failing this his/her duly appointed delegate, to be available to answer questions at the annual general meeting (shareholders' meeting) of the Company;

(k) to review and/or approve the matters in relation to the share schemes under Chapter 17 of the HK Listing Rules; and

(l) to review any service contracts entered into by any member of the Group and its directors or proposed directors and advise the shareholders of the Company (other than shareholders who are directors with material interests in such service contracts and their associates) as to whether the terms of such service contracts are fair and reasonable, whether the relevant service contracts are in the interests of the Company and its shareholders as a whole, and how the shareholders should vote thereon.

Where the recommendations of the Committee are not adopted or are not fully adopted by the Board, the opinions of the Committee and the specific reasons for not being adopted shall be recorded in the Board's resolutions and disclosed.

8 REPORTING PROCEDURES

(a) The Committee shall report to the Board the resolutions passed and voting results in the meeting in writing. At the next meeting of the Board following a meeting of the Committee, the Chairman of the Committee shall report the findings and recommendations of the Committee to the Board unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).

(b) The Committee's recommendations on remuneration will be submitted to the Board in the form of a Board paper circulated in advance of Board meetings through the company secretary.

(c) The supporting documents of such recommendations shall include, wherever relevant, the indications of historical remuneration arrangements in respect of the individuals concerned.

(d) Minutes of the Committee meetings shall be kept by the Secretary of the Committee. Draft and final versions of minutes of the meetings shall be sent to all members within a reasonable time after the meeting. The drafts shall be sent to the members for their comments and the final versions shall be sent to the members for their record.

(e) The Secretary of the Committee shall circulate copies of the minutes of the Committee meetings to all members of the Board for reference.

(f) Where the Board resolves to approve any remuneration or compensation arrangements with which the Committee disagrees, the Board shall disclose the reasons for its resolution in the next Corporate Governance Report.

9 AVAILABILITY AND UPDATE OF THE TERMS OF REFERENCE

These terms of reference shall be updated and revised by the Board according to the actual needs of the Company and the changes in circumstances and regulatory requirements in the places where the shares of the Company are listed (e.g. the HK Listing Rules and the Shenzhen Listing Rules). These terms of reference shall be made available to the public through publication on the websites of The Stock Exchange of Hong Kong Limited and the Company.

These terms of reference shall come into effect upon consideration and approval by the Board of Directors of the Company, and the former "Working Procedures of the Remuneration and Assessment Committee under the Board" shall be simultaneously repealed.

In case of discrepancy between the official Chinese version and the English translated version of these terms of reference, the Chinese version shall prevail.

* *For identification purpose only*