

# **Terms of Reference for the Remuneration Committee of the Board of Directors of Nanjing Sinolife United Company Limited**

**(Adopted by the Company pursuant to the Board resolution passed on 16 February 2023)**

## **Chapter 1 General Provisions**

Article 1 In order to further establish a sound system of assessment and remunerations for Directors and senior management of the Company (hereinafter referred to as the “**Management**”), and improve the corporate governance structure, the Company sets up the Remuneration Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) and formulates these terms of reference (the “**Terms of Reference**”), in accordance with the Company Law of the People’s Republic of China (the “**PRC**”), Guidelines for Corporate Governance of Listed Companies, the articles of association (the “**Articles of Association**”) of Nanjing Sinolife United Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and other relevant provisions.

Article 2 The Committee is a specific working body set up by the Board. Its main responsibilities are to formulate assessment standards for Directors and Management of the Company and conduct the relevant assessments; determine and review the remuneration policies and proposals for Directors and Management of the Company. The Committee shall be accountable to the Board.

Article 3 Directors mentioned in the Terms of Reference refer to all the directors of the Company, and the Management refers to General Manager, Deputy General Manager, Secretary to the Board and Financial Executive Officer engaged by the Board as well as other senior management as nominated by General Manager for review by the Board.

## **Chapter 2 Composition**

Article 4 The Committee shall consist of three Directors, the majority of who shall be independent non-executive Directors.

Article 5 Members of the Committee shall be nominated by Chairman of the Board or by at least half of independent non-executive Directors or at least one-third of all Directors, and is subject to appointment by the Board.

Article 6 The Committee shall have one convener who shall be an independent non-executive Director member and is responsible for chairing the Committee. The convener shall be appointed by the Board.

Article 7 The terms of office of the Committee shall be identical to that of the Board. A member may offer himself/herself for re-election upon the expiration of his/her term of office. Any member of the Committee who ceases to be a Director of the Company during the term shall be automatically disqualified as a member of the Committee, and the vacancy shall be filled by the Committee in light of the Articles 4 to 6 above.

Article 8 A specific working group is established under the Committee to be responsible for providing information on operations of the Company and the relevant information of persons to be assessed, organizing meetings of the Committee and implementing relevant resolutions of the Committee.

### **Chapter 3 Duties and Authorities**

Article 9 The main duties and authorities of the Committee are described below:

- (1) to determine remuneration policies, plans or proposals based on the main function scope, duties and importance of the management positions taken by Directors and senior management and the remuneration level of the corresponding positions in other comparable enterprises, and to make recommendations to the Board;
- (2) to determine such remuneration policies, plans or proposals that mainly include, but not limited to, standards and procedures for performance assessment and the principal assessment system, as well as the principal plan and system of rewards and punishments;
- (3) to review the performance of duties by the Directors (not independent Directors) and senior management of the Company, and conduct annual assessment on their performance;
- (4) to oversee the implementation of the remuneration system of the Company;
- (5) to review and approve the management's remuneration proposals with reference to the corporate goals and objectives established by the Board;
- (6) to make recommendations to the Board on 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 offices or appointment;
- (7) to make recommendations to the Board on the remuneration of Non-Executive Directors;
- (8) to consider the salaries paid by comparable companies, time commitment and responsibilities, and employment conditions for other positions of the Group;
- (9) to review and approve the compensation payable to Executive Directors and senior management for any loss or termination of their offices or appointment to ensure that such arrangements are consistent with the contractual terms. In case of any inconsistency, such compensation shall be otherwise reasonable, appropriate and not excessive;
- (10) to review and approve the compensation arrangements relating to dismissal or removal of Directors for their misconduct to ensure that such arrangements are consistent with the contractual terms. In case of any inconsistency, such compensation shall be otherwise reasonable and appropriate;

- (11) to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration;
- (12) to review and/or approve the matters relating to the share schemes under Chapter 17 of the Listing Rules; and
- (13) to deal with other matters as authorised by the Board.

Article 10 The Board has the right to reject such remuneration policies, plans or proposals as contrary to the interests of shareholders.

Article 11 Remuneration policies and plans for the Directors of the Company proposed by the Committee shall not be implemented until they are reviewed and approved by the Board and passed at the general meeting. The remuneration distribution proposals for the Management of the Company shall be subject to approval of the Board.

#### **Chapter 4 Procedures of Decision Making**

Article 12 The working group under the Committee shall be responsible for preliminary preparations for decision making by the Committee, and for provision of information of the Company regarding to:

- (1) fulfillment of the Company's major financial and operational objectives;
- (2) the working scope and main functions of the senior management of the Company;
- (3) fulfillment of the targets involved in the role performance assessment system of Directors and senior management;
- (4) operation performance driven by the business initiatives and profit-making ability of Directors and senior management;
- (5) basis for estimation on the remuneration distribution plans and methods as proposed based on the results of the Company.

Article 13 The Committee adopts the following assessment procedures for Directors and senior management:

- (1) The Directors and senior management shall describe their work performance to the Committee and make self-assessments;
- (2) The Committee shall carry out performance assessments for the Directors and senior management according to the assessment standards and procedures;
- (3) A proposal on remuneration amount and reward method for the Directors and senior management based on the performance assessment results and remuneration distribution policies shall be, once approved by voting, reported to the Board of the Company.

## **Chapter 5 Procedural Rules**

Article 14 Meetings of the Committee could only be convened with presence of more than two thirds of the members. Each member has one vote. Pass of resolutions at such meetings shall be subject to a simple majority of votes represented by all the members of the Committee in favor of such resolutions.

Article 15 As for meetings of the Committee, votes could be made by show of hands or by poll. And for extraordinary meetings, the Committee may adopt voting by communications.

Article 16 The Committee may invite Directors, Supervisors and senior management of the Company to attend meetings if necessary.

Article 17 If necessary, the Committee may engage intermediary institutions to provide professional opinions on its decisions at the costs of the Company.

Article 18 When the Committee discusses any matter relating to its member at a meeting, such member shall withdraw from such meeting.

Article 19 The procedures for convening a meeting of the Committee, the method of voting and the remuneration policies and distribution plans passed at the meeting shall comply with the governing laws, regulations, the Articles of Association and the Terms of Reference.

Article 20 The Committee shall keep minutes for its meetings. Members present at such meetings shall sign on the minutes that shall be maintained by the Secretary to the Board of the Company.

Article 21 Proposals passed and voting results reached at meetings of the Committee shall be reported in writing to the Board of the Company.

Article 22 Members present at meetings and others invited to attend such meetings are obliged to keep all matters discussed at such meetings confidential, and shall not disclose relevant information without authorisation.

## **Chapter 6 Addendum**

Article 23 The Terms of Reference shall come into effect since the date when they are approved by resolution of the Board of the Company.

Article 24 Any matters not covered by the Terms of Reference shall be implemented in accordance with the relevant PRC laws and regulations and the Articles of Association. If the Terms of Reference contravene any laws and regulations as newly issued by the PRC or the Articles of Association as amended with legal procedures, the relevant PRC laws and regulations and the Articles of Association shall prevail, and the Terms of Reference shall be amended immediately and reported to the Board for consideration and approval. The power to interpret the Terms of Reference is vested in the Board of the Company.

**Board of Directors of  
Nanjing Sinolife United Company Limited**

16 February 2023