

# NANJING LEADS BIOLABS CO., LTD.

## TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE OF THE BOARD OF DIRECTORS

### Chapter I General Provisions

**Article 1** In order to further establish and improve the management mechanism for remuneration of Nanjing Leads Biolabs Co., Ltd. (hereinafter referred to as the “**Company**”) and enhance its corporate governance structure, the Company hereby establishes the Remuneration Committee of the board of directors and formulates the Terms of Reference of the Remuneration Committee of the Board of Directors of Nanjing Leads Biolabs Co., Ltd. (hereinafter referred to as the “**Terms of Reference**”) based on the actual conditions of the Company pursuant to the Company Law of the PRC (《中華人民共和國公司法》) (hereinafter referred to as the “**Company Law**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Listing Rules**”), the Corporate Governance Code as set out in Appendix C1 to the Listing Rules and other relevant laws and regulations, normative documents and the Articles of Association of Nanjing Leads Biolabs Co., Ltd. (applicable upon the issuance of H Shares) (hereinafter referred to as the “**Articles of Association**”).

**Article 2** The Remuneration Committee is a special working body established by the board of directors of the Company, mainly responsible for reviewing appraisal and remuneration plans or proposals for directors and senior management of the Company.

**Article 3** Directors as referred in the Terms of Reference refer to the directors who receive remuneration from the Company, and the senior management as referred herein refers to the general manager, the deputy general manager, chief financial officer, the secretary of the board of directors and other senior management appointed by the board of directors. The “general manager” as referred in the Terms of Reference refers to the “manager” as referred in the Company Law.

### Chapter II Composition of Members

**Article 4** The Remuneration Committee shall consist of three or more directors, the number of members shall be an odd number, and the majority (more than half) of the members shall be independent non-executive directors.

**Article 5** Members of the Remuneration Committee shall be nominated by the chairman of the board of directors or the nomination committee of the board of directors, and shall be elected by the board of directors by a majority of all directors.

**Article 6** Members of the Remuneration Committee shall be subject to the appointment and removal by the board of directors. The Remuneration Committee shall report its work to the board of directors from time to time.

**Article 7** The Remuneration Committee shall have a convener, namely the chairman of the committee, who shall be an independent non-executive director and appointed by the board of directors to be responsible for presiding over the work of the committee. In the event that the chairman of the committee is incapable of performing or not performing his duties, an independent non-executive director shall be jointly elected by more than half of the members to act in his stead.

A member of the Remuneration Committee shall meet the following conditions:

- (I) not being prohibited by provisions of laws such as the Company Law, regulations or the Articles of Association from serving as a director of the Company;
- (II) being familiar with the relevant laws and administrative regulations of the PRC, possessing good moral character, having relevant professional expertise, and being familiar with the Company's operation and management;
- (III) adhering to the principle of good faith, being honest and self-disciplined, being loyal to duties, and actively working to safeguard the interests of the Company and shareholders;
- (IV) possessing strong comprehensive analysis and judgment capabilities, and possessing the ability to work independently;
- (V) other conditions as stipulated by other laws, regulations or the Articles of Association.

The person who does not meet the qualifications for appointment as prescribed in the preceding articles shall not be elected as a member of the Remuneration Committee. During the term of office of a member of the Remuneration Committee, if the member becomes unsuitable for the appointment as stipulated in the preceding articles, such member shall resign voluntarily or be vacated by the board of directors of the Company.

**Article 8** The term of office of the Remuneration Committee shall be the same as that of the board of directors. A member shall be eligible for re-election upon the expiration of his/her term of office. If a member ceases to be a director of the Company during the term of office, or a member who shall be an independent non-executive director ceases to be independent in accordance with the provisions of the Articles of Association and the Listing Rules, he/she shall be automatically disqualified. A member of the Remuneration Committee may submit a resignation report in writing to the board of directors prior to the expiration of his/her term of office to resign as a member of the committee. The resignation report shall contain necessary explanations on the reasons for resignation and the matters that need to be brought to the attention of the board of directors of the Company. In the event that the composition of the Remuneration Committee fails to meet the requirements of Articles 4 and 7 of the Terms of Reference, the board of directors shall immediately state the details and reasons for failing to meet the relevant requirements by way of announcement in accordance with the requirements of the Listing Rules, and shall, within three months from the date on which the above requirements are not met, fill the vacancy in accordance with the provisions of Articles 4 to 7 of the Terms of Reference. The term of office of any supplementary member shall last until the end of the term of office of such member as a director. A member shall not be removed from his/her duty without cause prior to the expiration of his/her term of office, unless he/she is prohibited from holding office under the provisions of the Company Law, the Articles of Association or the Listing Rules.

### **Chapter III Duties and Authorities**

**Article 9** The primary duties and authorities of the Remuneration Committee are:

- (I) to make recommendations to the board of directors on the Company's policy and structure for all directors' and senior management members' remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy based on the major responsibility scope, time commitment, importance, and the respective remuneration for relevant positions in comparable companies, as well as the employment conditions for other positions in the Company;
- (II) to review the management's remuneration proposals in light of the corporate policies and objectives set by the board of directors;
- (III) to supervise the implementation of the remuneration system of the Company taking into consideration the remuneration paid by comparable companies, time commitment and duties, as well as the terms of employment for other positions within the Group;
- (IV) to make recommendations to the board of directors on the remuneration packages of individual executive directors and senior management members, which include benefits in kind, pension rights and compensations, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the board of directors on the remuneration of non-executive directors;
- (V) the Remuneration Committee may seek independent professional advice when necessary;
- (VI) to review and approve the compensations to the executive directors and senior management members for the loss or termination of their positions or appointments in order to ensure that such compensation is consistent with the terms of contract, otherwise the compensation must also be fair and reasonable, not excessive;
- (VII) to review and approve the compensation arrangements related to the dismissal or removal of directors due to their misconduct in order to ensure that such arrangements are consistent with the terms of contract, otherwise the compensation must also be reasonable and appropriate;
- (VIII) to ensure that no directors or any of his/her associate (as defined in the Listing Rules) is involved in the determination of his/her own remuneration; and for a non-executive director who is also a member of the Remuneration Committee, his/her remuneration shall be determined by other members of the Remuneration Committee;
- (IX) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules;

- (X) to ensure that the share options or awards (if any) granted by the Company to its directors or senior management comply with the provisions of Chapter 17 of the Hong Kong Listing Rules as amended and supplemented from time to time (if applicable), including but not limited to:
- (1) where share options or awards with a vesting period of less than 12 months are granted to directors and/or senior management, to provide opinions on why a shorter vesting period is appropriate and how the grants align with the purpose of the relevant share incentive scheme;
  - (2) where share options or awards are granted to directors and/or senior management without performance targets and/or clawback mechanism, to provide opinions on why performance targets and/or a clawback mechanism is/are not necessary and how the grants align with the purpose of the relevant share incentive scheme.
- (XI) the responsibilities and authorities of the Remuneration Committee shall include such responsibilities and authorities as set out in the relevant code provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (as amended from time to time); and
- (XII) other matters stipulated in laws, regulations, rules, normative documents, the Articles of Association and the Terms of Reference, the Listing Rules, and authorized by the board of directors.

**Article 10** The remuneration plans or schemes proposed by the Remuneration Committee shall not prejudice the interests of shareholders. The board of directors has the power to veto remuneration plans or schemes that are detrimental to the interests of shareholders.

**Article 11** The remuneration plans or schemes for the directors of the Company proposed by the Remuneration Committee shall be submitted to the board of directors for approval and submitted to the shareholders' meeting for consideration and approval before implementation. The remuneration plans or schemes for senior management of the Company shall be submitted to the board of directors for approval. The Remuneration Committee shall be accountable to the board of directors and its proposals shall be submitted to the board of directors for consideration. Relevant departments of the Company shall be obligated to cooperate with the Remuneration Committee and provide relevant materials.

Unless otherwise provided for in the Company Law and the Articles of Association, in accordance with the Listing Rules, service contracts with directors or supervisors that are subject to shareholders' approval include:

- (I) service contracts with a term of over three years; or
- (II) contracts which may not be terminated by the Company unless at least one year's notice is given, or compensation or other amounts equivalent to at least one year's emoluments are paid.

The Remuneration Committee shall make comments on the above service contracts with directors or supervisors that are subject to 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 who are directors or supervisors and have a material interest in such service contracts, as well as their associates) should vote.

The management is responsible for providing the Remuneration Committee with sufficient and appropriate information to enable the Remuneration Committee to make decisions with relevant information. The data provided by the management must be complete and reliable.

**Article 12** The Remuneration Committee shall make available the terms of reference explaining the role and the authority delegated to it by the board of directors on the websites of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) and the Company.

#### **Chapter IV Working Procedures**

**Article 13** The general office of the board of directors of the Company shall be responsible for liaising and coordinating with relevant departments in providing information on human resources and the personnel being appraised, preparing for meetings of the Remuneration Committee and implementing the resolutions passed by the board of directors and the Remuneration Committee.

**Article 14** The Company shall provide relevant information to the Remuneration Committee for the performance of its duties:

- (I) information on the division of work of the Company's directors and senior management and the performance of their main duties;
- (II) annual performance appraisal results of directors and senior management;
- (III) the past compensation levels of directors and senior management;
- (IV) remuneration plans or schemes proposed in accordance with the performance of the Company;
- (V) all remuneration systems of the Company and their implementation.

The Remuneration Committee performs the main duties under Article 9 of the Terms of Reference based on the information provided by the Company.

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

## **Chapter V Rules of Procedure**

**Article 15** Meetings of the Remuneration Committee shall be convened at least once annually. Extraordinary meetings of the Remuneration Committee may be convened by the chairman of the Remuneration Committee as he deems necessary, by the proposal of at least half of the members of the committee or upon recommendation by the chairman of the board of directors.

**Article 16** Meetings of the Remuneration Committee shall be convened by the chairman of the committee. Notice of meeting, signed by the chairman of the committee, and materials for meeting shall be delivered to all members of the committee three days prior to the meeting (excluding the date of convening). Upon unanimous consent of all members of the committee, the requirement on such prior notice period may be exempted.

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

**Article 18** The quorum of meetings of the Remuneration Committee shall be at least two-thirds of the members, including at least one 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 matters delegated, scope of authorization and the validity period, and shall be signed or stamped by the appointer and submitted to the presider of the meeting no later than the time when voting takes place in the meeting. If a member fails to attend a meeting of the Remuneration Committee and fails to appoint another member to attend on his/her behalf, he/she shall be deemed to have waived his/her right to vote at that meeting.

The resolutions made at the meeting shall be approved by a majority of all members, and relevant resolutions and opinions shall be signed by the participating members. 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 Committee shall be entitled to have an additional vote.

Voting at meetings of the Remuneration Committee may be by a show of hand or by way of poll. With the consent of all members, the meeting may be convened by way of voting through communication.

**Article 19** Meetings of the Remuneration Committee may be held by physical meetings, teleconferences, video conferences, circulation of documents, facsimile, email or other appropriate means.

**Article 20** Directors, supervisors, senior management and external advisors may be invited to attend meetings of the Remuneration Committee when necessary. Persons attending the meetings may explain or illustrate the matters discussed at the meetings, but have no right to vote if he/she is not a member of the committee.



**Article 21** The Company should provide the Remuneration Committee with sufficient resources to perform its duties. The senior management and relevant departments of the Company shall support and cooperate with the Remuneration Committee, and provide such necessary information as required by the Remuneration Committee. If necessary, the Remuneration Committee may engage independent intermediary institutions to provide professional opinions for its decision-making. The terms and fees of the said intermediaries shall be decided by the committee and the reasonable expenses shall be borne by the Company. The Company shall, in accordance with the relevant requirements of the Listing Rules, disclose its remuneration policy for directors in annual report, and disclose the details of remuneration of senior management by band and other remuneration-related matters.

**Article 22** In any of the following circumstances, the member of the Remuneration Committee shall make disclosure to the committee in advance, and abstain from the discussion and voting on such issues during the meetings of the Remuneration Committee:

- (I) evaluating such member or discussing his/her remuneration;
- (II) evaluating the associate (as defined in the Listing Rules) of such member or discussing his/her remuneration; and
- (III) other circumstances where such member has interests or may affect the member in making objective and fair judgments.

**Article 23** The convening procedures, voting method and remuneration policy and distribution plans passed at the meetings of the Remuneration Committee shall comply with the provisions of the relevant laws, regulations, Articles of Association, and the Terms of Reference.

**Article 24** The Remuneration Committee shall keep written minutes of its meetings, which should record in sufficient detail the matters considered and decisions reached at the meetings, including any concerns raised or dissenting views expressed by the directors. Draft and final versions of the minutes of the meetings shall be circulated to all members within a reasonable time after the end of the meetings. The draft versions are for their comment and the final versions are for their record. The minutes of the meetings shall be signed by the members present at the meetings. Minutes of the meetings shall be properly kept by the duly appointed secretary of the meeting. Such minutes of meeting shall be opened for inspection at any reasonable time on reasonable notice by any director.

**Article 25** The proposal passed at the meetings of the Remuneration Committee and the voting results shall be reported in writing to the board of directors of the Company for consideration.

**Article 26** Members present at meetings of the Remuneration Committee and persons attending such meetings shall perform a duty of confidentiality regarding matters discussed at such meetings. No unauthorized disclosure of such information shall be allowed, nor shall they make use of such information to conduct or carry out insider trading for others, unless otherwise stipulated under the relevant laws, regulations and/or regulatory bodies. Otherwise, they shall bear all legal responsibilities arising therefrom.

## **Chapter VI Supplementary Provisions**

**Article 27** “at least” and “more than” as referred to in the Terms of Reference shall include the number itself, and the word “majority” shall not include the number itself.

**Article 28** The Terms of Reference have been approved by the board of directors upon consideration, and shall become effective from the date on which the H shares publicly issued by the Company are listed and traded on the Main Board of the Hong Kong Stock Exchange. The board of directors shall be responsible for the amendment or interpretation of the Terms of Reference.

**Article 29** Any matters not covered herein shall be implemented in accordance with the requirements of the relevant laws, regulations, departmental rules, the regulatory rules of the listing place including the Listing Rules and the Articles of Association. Where the Terms of Reference conflict with the requirements of the relevant laws, regulations, departmental rules, the regulatory rules of the listing place including the Listing Rules, or the Articles of Association, such relevant laws and regulations, departmental rules, the regulatory rules of the listing place including the Listing Rules, and the Articles of Association shall prevail, in which case the Terms of Reference shall be amended forthwith and submitted to the board of directors for consideration and approval.

**Nanjing Leads Biolabs Co., Ltd.**

July 1, 2025