

# **HANGZHOU TIGERMED CONSULTING CO., LTD.**

## **TERMS OF REFERENCE OF THE REMUNERATION AND EVALUATION COMMITTEE OF THE BOARD OF DIRECTORS**

### **Chapter 1 General Provisions**

Rule 1 In order to establish a sound administration system of evaluation and remuneration for directors (non-independent directors) and senior management members of the Company and enhance its corporate governance structure, and in accordance with the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), the Code on Corporate Governance Practices set out in Appendix 14 to the Hong Kong Listing Rules, the Articles of Association of Hangzhou Tigermed Consulting Co., Ltd. (hereinafter referred to as the "Articles of Association"), the Rules of Procedure of the board of directors of Hangzhou Tigermed Consulting Co., Ltd. and other relevant provisions, the Company has set up a Remuneration and Evaluation Committee of the board of directors (hereinafter referred to as the "Remuneration and Evaluation Committee") and formulated these Working Rules.

Rule 2 The Remuneration and Evaluation Committee of the board of directors is a specific working body set up by the board of directors according to a resolution of the shareholders' general meeting. Its main responsibilities are to formulate standards for evaluating directors and senior management members of the Company and conduct evaluations; and to formulate and review the policies for and proposals on the remuneration of directors and senior management members of the Company. The committee shall be accountable to the Board.

Rule 3 Directors mentioned in these Rules refer to the chairman of the board of directors and directors who receive remuneration from the Company; and members of the senior management refer to the general manager, the deputy general manager and the secretary to the board of directors employed by the board of directors and other members of the senior management proposed by the general manager to the board of directors for approval.

### **Chapter 2 Composition**

Rule 4 The Remuneration and Evaluation Committee shall comprise three directors, the majority of whom shall be independent directors and the convener shall be an independent director.

Rule 5 The members of the Remuneration and Evaluation Committee shall be nominated by the chairman of the Board, more than half the number of independent directors or one third of all directors, and shall be elected by the board of directors.

Rule 6 The Remuneration and Evaluation Committee shall have a chairman who shall be an independent director. The chairman of the committee shall be responsible to head the work of the committee. The chairman of the committee shall be elected from the members, subject to the approval of the board of directors.

Rule 7 The term of office of the Remuneration and Evaluation Committee shall be the same as that of the board of directors. A member may serve consecutive terms if re-elected upon expiry of his/her term. If any member resigns from the position of director of the Company during his/her term of office, he/she shall automatically lose his/her position as committee member, and the vacancy shall be filled by the Committee in accordance with the provisions of Rules 4 to 6 above.

Rule 8 The Remuneration and Evaluation Committee shall establish a working unit which shall specifically be responsible for providing information on the operation of the Company and relevant information of persons to be evaluated, preparing for meetings of the Remuneration and Evaluation Committee and implementing resolutions of the Remuneration and Evaluation Committee.

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

Rule 9 The major duties and authorities of the Remuneration and Evaluation Committee include:

- (I) to establish remuneration plans or proposals according to the primary scopes, responsibilities, importance and remuneration level of relevant positions of other relevant enterprises of management positions of directors and members of senior management; to make recommendations to the board of directors on overall performance evaluation and remuneration management system and structure for the directors and members of senior management of the Company and establishment of formal and transparent procedures for the formulation of the remuneration policies;
- (II) to review and approve the management's proposal on remuneration based on the corporate goals and objectives set by the board of directors;
- (III) remuneration plans or proposals include but not limited to performance evaluation criteria, procedures and key evaluation system, and major incentive and penalty plans and systems;
- (IV) to determine, with delegated responsibility from the board of directors, the remuneration packages of individual executive directors and members of senior management, or to make recommendations to the board of directors on the remuneration packages of individual executive directors and members of senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (V) to make recommendations to the board of directors on the remuneration of non-executive directors;
- (VI) to consider salaries paid by peer companies, time commitment and responsibilities and the employment conditions of other positions within the Group;
- (VII) to review and approve compensation payable related to executive directors and members of senior management for his/her loss or termination of office or appointment to ensure that the compensation shall be consistent with contractual terms or, in case the compensation is not consistent with contractual terms, is fair and reasonable and not excessive;

- (VIII) to review and approve the compensation arrangements in connection with any dismissal or removal for misconduct to directors, to ensure the arrangements shall be consistent with contractual terms or, in case the compensation is not consistent with contractual terms, is fair and reasonable;
- (IX) to ensure that no director or any of his/her associate is involved in deciding his/her own remuneration;
- (X) examine the performance of the directors (non-independent directors) and members of senior management of the Company, and make annual performance evaluation;
- (XI) to supervise the implementation of the Company's remuneration system;
- (XII) to review and/or approve matters relating to share schemes under chapter 17 of the Hong Kong Listing Rules;
- (XIII) any other matters authorized by the Board of Directors.

Rule 10 The Board of Directors shall have the power to veto remuneration plans or proposals which are contrary to the interests of the shareholders.

Rule 11 The remuneration plans for the directors of the Company proposed by the Remuneration and Evaluation Committee shall be approved by the board of directors and submitted to a shareholders' general meeting for approval before implementation. The remuneration plans for the members of senior management of the Company shall be submitted to the board of directors for approval.

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

Rule 12 The working unit under the Remuneration and Evaluation Committee shall be responsible for making preliminary preparations for the decision making process of the Remuneration and Evaluation Committee, and providing relevant information of the Company:

- (I) to provide information on fulfillment by the Company of its main financial targets and business objectives;
- (II) to provide information on the division of labor among the Company's senior management members and their main duties;
- (III) to provide information on target completion in relation to the work performance evaluation system for directors and senior management members;
- (IV) to provide information on the business initiatives and profit-making ability of directors and senior management members in business operation; and
- (V) to provide information on the basis for formulating the Company's plans and methods for fixing remunerations based on its operating results.

Rule 13 The procedures for evaluating directors and senior management members adopted by the Remuneration and Evaluation Committee are as follows:

- (I) The directors and members of senior management shall report their work and make self-evaluations to the Remuneration and Evaluation Committee;
- (II) The Remuneration and Evaluation Committee shall carry out performance evaluation of the directors and senior management members according to the performance evaluation standards and procedures; and
- (III) A proposal on the amount of remuneration and method of reward for the directors and senior management members based on the results of work performance evaluations and prepared according to the remuneration and distribution policies shall be made and, after a voting in its favor, shall be reported to the board of directors.

## **Chapter 5 Rules of Procedures for Meetings**

Rule 14 Meetings of the Remuneration and Evaluation Committee shall be held at least once a year and a notice of meeting shall be given to all members seven days prior to the meeting. Meetings shall be chaired by the chairman of the committee. If the chairman of the committee cannot attend, he/she may appoint another member (independent director) to preside over the meeting.

Rule 15 Meetings of the Remuneration and Evaluation Committee shall be held only with the presence of more than two-thirds of its members. Each member shall be entitled to one vote. Resolutions of a meeting must be adopted by the affirmative votes of more than half of all members.

Rule 16 The Remuneration and Evaluation Committee shall vote by a show of hands or by a poll. Provisional meetings may also be convened in the form of vote by communications.

Rule 17 The Remuneration and Evaluation Committee may invite directors, supervisors and senior management members of the Company to attend its meetings if necessary.

Rule 18 If necessary, the Remuneration and Evaluation Committee may engage an intermediary institution to form a professional opinion on its decision. The cost shall be borne by the Company. Related fee for the Remuneration and Evaluation Committee discharging their duties shall be borne by the Company.

Rule 19 When any subject of discussion of the Remuneration and Evaluation Committee relates to a member of the committee at a meeting, such member shall abstain from such meeting.

Rule 20 The procedures for convening a meeting, the method of voting and the remuneration policies and distribution plans adopted by a meeting of the Remuneration and Evaluation Committee shall be in conformity to the provisions of the relevant laws, regulations, the Listing Rules of the stock exchanges in the jurisdictions where the shares of the Company are listed, the Articles of Association and these Rules.

Rule 21 The Remuneration and Evaluation Committee shall keep minutes of its meetings. Minutes shall be recorded in sufficient detail the matters considered and decisions reached at the meeting, including any concerns raised by members or dissenting views expressed. Members present at a meeting shall sign the minutes of that meeting which shall be kept by the secretary to the board of directors of the Company. Where a member has any comment or dissidence to the minutes, he/she may refuse to sign it, but shall deliver his/her written opinions to the secretary to the board of directors within the specified time stated above. In case of any proven error or omission, the secretary to the board of directors shall revise the minutes, and the member shall sign the revised minutes.

Rule 22 Any resolution passed and the result of any poll taken at a meeting of the Remuneration and Evaluation Committee shall be reported in writing to the board of directors of the Company.

Rule 23 Members present at a meeting shall be obliged to keep confidential all matters discussed in such meeting and shall not disclose any relevant information without authorization.

## **Chapter 6 Supplementary Provisions**

Rule 24 The implementation rules became effective upon approval by a resolution of the board of directors of the Company.

Rule 25 Any matters not covered by these Rules shall be implemented in accordance with the provisions of the relevant laws, regulations, the listing rules of the stock exchanges in the jurisdictions where the shares of the Company are listed or the Articles of Association. If these Rules contravene any future laws, regulations, the listing rules of the stock exchanges in the jurisdictions where the shares of the Company are listed, or the legally amended Articles of Association of the Company, they shall be implemented, promptly amended and reported to the Board of Directors for consideration and adoption in accordance with the then provisions of the relevant laws, regulations, the Listing Rules of the stock exchanges in the jurisdictions where the shares of the Company are listed or the Articles of Association of the Company.

Rule 26 The power of interpretation of these Rules shall be vested in the board of directors of the Company.

The Board of Directors of Hangzhou Tigermed Consulting Co., Ltd.  
April 25, 2023