

HUA MEDICINE
華領醫藥

(A company incorporated in the Cayman Islands with limited liability)

(Stock Code: 2552)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

The remuneration committee (the "**Committee**") of Hua Medicine 華領醫藥 (the "**Company**") was established pursuant to a resolution passed by the board of directors of the Company (the "**Board**") on August 26, 2018. Set out below are the terms of reference (the "**Terms of Reference**") of the Committee. The Terms of Reference are available for viewing in English and traditional Chinese. If there is any inconsistency between the English and the traditional Chinese versions of the Terms of Reference, the English version shall prevail over the traditional Chinese version.

1. PURPOSE

1.1 The purpose of the Committee is to make recommendations to the Board in determining the policy and structure for the remuneration of directors and senior management, to establish a formal and transparent procedure for developing remuneration policy, to evaluate the performance of directors and senior management, to review and recommend the terms of incentive packages for all directors and senior management.

2. COMPOSITION

2.1 The members of the Committee shall be appointed by the Board from time to time and shall consist of a majority of independent non-executive directors of the Company.

2.2 The Board shall appoint one member of the Committee as the chairman (the "**Chairman**"), who must be an independent non-executive director of the Company.

3.12 Full minutes of meeting of the Committee shall be kept by the Secretary or the Company Secretary(ies) of the Company. They shall be open for inspection at any reasonable time on reasonable notice by any director.

3.13 Minutes of meetings of the Committee and the record of individual attendance at such meetings shall be prepared by the Secretary which shall be sent to all members of the Committee within a reasonable time after the conclusion of any meeting of the Committee for their comment and records. For the purposes of recording attendance only, the attendance of an alternate of members of the Committee will not be counted as attendance by the relevant member of the Committee himself or herself. The minutes of meetings of the Committee shall record details of the matters considered and decisions reached, including any concerns raised by directors or dissenting views expresse ii

5.3 The Committee shall report back to the Board on their decisions or recommendations.

(g) to ensure that no director or any of his/her associates is involved in deciding his or her own remuneration. For the avoidance of doubt, members of the Committee must not be involved in deciding his or her own remuneration;

(h) 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;

(i) 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; and

(j) to advise shareholders of the Company on how to vote in respect of any service contracts of directors that require shareholders' approval in accordance with the Listing Rules, and as to whether the terms are fair and reasonable, and whether such contracts are in the interests of the Company and its shareholders as a whole.

8. ANNUAL GENERAL MEETING

8.1 The Chairman or in his absence, another member of the Committee or failing this, his or her duly appointed delegate, shall attend the annual general meeting (the "**AGM**") of the Company and be prepared to respond to questions at the AGM on the Committee's work and responsibilities.