



BIOCYTOGEN PHARMACEUTICALS (BEIJING) CO., LTD.

百奥赛图（北京）医药科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2315)

Rules of Procedure for the Remuneration and Evaluation Committee

CHAPTER 1 GENERAL PROVISIONS

Clause 1 In order to establish a comprehensive remuneration and evaluation system for the directors and senior management, improve the core competitiveness and optimize the corporate governance structure of Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (the “**Company**”), the Remuneration and Evaluation Committee has been established under the board of directors with these rules of procedure in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange, the Measures for the Administration of Independent Directors of Listed Companies, the Articles of Association of Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (the “**Articles**”) and other applicable regulations.

Clause 2 All members of the Remuneration and Evaluation Committee shall be directors, with the independent non-executive directors constituting the majority and acting as the convener.

CHAPTER 2 TERMS OF REFERENCE OF THE REMUNERATION AND EVALUATION COMMITTEE

Clause 3 The Remuneration and Evaluation Committee is set up by the board of directors and is mainly responsible for formulating evaluation standards and conducting evaluation on the directors and senior management of the Company. It shall also formulate and review the remuneration policy and proposals for directors and senior management of the Company. The Remuneration and Evaluation Committee, accountable to the board of directors, shall perform its duties in accordance with the Articles and the authorization of the board of directors, and its proposals shall be submitted to the board of directors for deliberation and decision-making.

Clause 4 In these rules of procedure, the senior management refers to the general manager, deputy general manager, person-in-charge of finance (the chief financial officer), and the secretary to the board of directors, appointed by the board of directors as well as other senior management as stipulated under the Articles.

Clause 5 Composition:

- (I) The Remuneration and Evaluation Committee shall consist of at least three directors, with not less than half of independent non-executive directors.
- (II) Members of the Remuneration and Evaluation Committee shall be nominated by the chairman of the board of directors, not less than half of the independent non-executive directors or one-third of all directors, and shall be elected by the board of directors.
- (III) The Remuneration and Evaluation Committee shall have a chairman, who shall act as a convener and be an independent non-executive director, to preside over the Remuneration and Evaluation Committee. The chairman shall be elected from the members of the Remuneration and Evaluation Committee and subject to the approval of the board of directors.

- (IV) The term of office of the Remuneration and Evaluation Committee shall coincide with that of the board of directors. A member may serve consecutive terms if re-elected upon the expiry of his/her term of office. A member shall cease to be a member when he/she is no longer a director of the Company, and the committee shall fill the resulting vacancy in accordance with Clause 5 herein.
- (V) If a director is not re-elected in time upon the expiration of his/her term of office, the director shall continue to perform his/her duties as a member of the Remuneration and Evaluation Committee in accordance with the laws, regulations and departmental rules, the Articles and these rules of procedure until a newly-elected director takes office.
- (VI) The Remuneration and Evaluation Committee has a working group which serves as its administrative office, and is mainly responsible for the provision of information regarding the operation of the Company and the personnel being evaluated, organizing meetings of the Remuneration and Evaluation Committee and implementing the resolutions passed by the Remuneration and Evaluation Committee.

Clause 6 Duties and responsibilities:

- (I) The primary responsibilities of the Remuneration and Evaluation Committee include:
1. the duties and authorities as set out in the relevant provisions under the Code of Corporate Governance (the “**Code of Corporate Governance**”) contained in Appendix C1 to the Hong Kong Listing Rules, as amended from time to time;
 2. formulating evaluation standards with reference to the primary responsibilities, scope of work and significance of the positions held by directors and senior management, as well as the remuneration level of relevant positions in other relevant enterprises, and conducting evaluation and providing suggestions; providing advice to the board of directors regarding the overall performance evaluation of directors and senior management and the remuneration management system and structure as well as the establishment of formal and transparent procedures for the formulation of the remuneration policy;
 3. reviewing and approving the remuneration proposals of the management pursuant to the corporate goals and objectives established by the board of directors;
 4. remuneration plans or proposals mainly include without limitation to the performance evaluation standards, procedures and major evaluation systems, and major plans and systems of incentive and punishment;
 5. making recommendations to the board of directors on the remuneration package of individual executive directors and senior management, including benefit in kind, pension rights and compensation payment (including compensation for the loss or termination of office or appointment);
 6. making recommendations to the board of directors on the remuneration of the non-executive directors;
 7. considering remuneration paid by comparable companies, time commitments and responsibilities and employment conditions of other positions within the Group;

8. reviewing and approving the compensation payable to the executive directors and senior management for their loss or termination of office or appointment to ensure that it is consistent with the contractual terms, or is otherwise fair and reasonable and not excessive;
 9. reviewing and approving the compensation arrangement relating to the removal or dismissal of a director due to misconduct to ensure that it is consistent with the contractual terms, or is otherwise fair and appropriate;
 10. ensuring that no director or any of his/her associates is involved in determining his/her remuneration;
 11. examining the performance of the Company's directors (non-independent non-executive directors) and senior management and conducting annual performance evaluation of them;
 12. overseeing the implementation of the Company's remuneration system;
 13. reviewing and/or approving matters related to the share schemes under Chapter 17 of the Hong Kong Listing Rules and other equity incentive plans, employee stock ownership plans, to ensure that the options and share rewards granted by the Company to directors or senior management comply with relevant laws, regulations, and Chapter 17 of the Hong Kong Listing Rules;
 14. dealing with other matters as authorized by the board of directors or stipulated in relevant laws and regulations.
- (II) The board of directors shall have the right to deny any remuneration plans or proposals that may damage the interests of shareholders.
- (III) The Remuneration and Evaluation Committee shall express opinions on whether the equity incentive plan draft is conducive to the Company's sustainable development and whether there is any obvious harm to the interests of the Company and all shareholders.

If deemed necessary, the Remuneration and Evaluation Committee may advise the Company to engage an independent financial advisor to provide professional opinions on the feasibility of the equity incentive plan, its impact on the Company's sustainable development, potential harm to the Company's interests, and its effects on shareholder interests. If the Company fails to engage an independent financial advisor as advised, it shall provide a special explanation on such matter.

The Remuneration and Evaluation Committee shall exercise its relevant powers over the Company's equity incentive matters in accordance with the Measures for the Administration of Equity Incentives of Listed Companies.

- (IV) Remuneration plans and long-term incentive plans for the directors of the Company proposed by the Remuneration and Evaluation Committee shall not be implemented until they are approved by the board of directors and passed at the general meetings. Remuneration distribution plans for the senior management of the Company shall be subject to approval by the board of directors.

Clause 7 Working procedures:

- (I) The working group under the Remuneration and Evaluation Committee is responsible for preliminary preparations by providing the relevant written materials of the Company for the Remuneration and Evaluation Committee's decision-making:
1. major financial indicators and achievement of the Company's operating goals;
 2. information on the scope of work and major responsibilities of the senior management of the Company;
 3. information on the extent to which the performance targets set out under the work performance evaluation system have been achieved by directors (non-independent non-executive directors) and senior management;
 4. information on performance evaluation on business innovation and profit-generating capabilities of directors (non-independent non-executive directors) and senior management;
 5. relevant calculation basis for formulating the Company's remuneration plans and distribution methods based on the Company's performance.
- (II) The procedures for the evaluation of directors and senior management by the Remuneration and Evaluation Committee are as follows:
1. directors and senior management shall report their work and make a self-evaluation to the Remuneration and Evaluation Committee;
 2. the Remuneration and Evaluation Committee shall assess the performance of directors and senior management in accordance with the performance evaluation standards and procedures;
 3. the Remuneration and Evaluation Committee shall propose the amount of remuneration and incentive methods for directors and senior management based on the performance evaluation results and the remuneration distribution policies, and shall submit them to the board of directors after being approved by voting.

Clause 8 Procedures of meetings:

- (I) The Remuneration and Evaluation Committee shall convene meetings from time to time as needed throughout the year. An extraordinary meeting may be convened upon the proposal of two or more members of the Remuneration and Evaluation Committee, or at the discretion of the chairman of the Remuneration and Evaluation Committee. All committee members shall be notified of the agenda and provided with relevant materials at least three days prior to the meeting. The meeting shall be presided over by the chairman, or if he/she is unable to attend, another member of the committee, who shall be an independent non-executive director, designated by him/her. In urgent cases where the meeting needs to be held as soon as possible, a notice of the meeting may be issued via telephone or other oral means at any time. Independent non-executive directors may promptly request the Remuneration and Evaluation Committee in accordance with these rules of procedure to discuss and deliberate on significant matters within its scope of duties upon identifying such matters during their terms of office.

- (II) A meeting of the Remuneration and Evaluation Committee shall be attended by not less than two-thirds of its members, with each member having one vote. The resolution made at the meeting shall be approved by not less than half of all committee members.
- (III) Members of the Remuneration and Evaluation Committee shall attend committee meetings in person. If a member is unable to attend the meeting for any reason, he/she may authorize another committee member in writing to attend the meeting on his/her behalf. The power of attorney shall specify the name of the proxy, authorized matters, scope of authority, and validity period, and shall be signed or sealed by the authorizer. The proxy shall exercise the authorizer's rights within the authorized scope. In principle, independent non-executive directors shall attend meetings in person. However, if unable to attend such meetings in person due to any reason, any independent non-executive director may review the meeting materials in advance, develop clear opinions and authorize another independent non-executive director in writing to attend the meetings on behalf of him/her. If a member fails to attend the meeting of the Remuneration and Evaluation Committee in person or by proxy, he/she shall be deemed as having abstained from voting at such meeting. Any member of the Remuneration and Evaluation Committee who fails to attend two consecutive meetings may be dismissed by the board of directors for dereliction of duty.
- (IV) Voting at the meetings of the Remuneration and Evaluation Committee shall be by a show of hands or by poll, or may be by means of communications.
- (V) The Remuneration and Evaluation Committee may invite the directors and senior management of the Company to observe the meetings of the Remuneration and Evaluation Committee when necessary.
- (VI) The Remuneration and Evaluation Committee may, if necessary, engage intermediary firms to provide professional advice on its decisions at the expense of the Company.
- (VII) When a committee member becomes the subject of a discussion at the meeting of the Remuneration and Evaluation Committee, such committee member shall recuse him/herself. If such recusal prevents the formation of a valid deliberation opinion, the relevant matters shall be directly deliberated by the board of directors.
- (VIII) The meeting convening procedures, voting methods as well as the remuneration policy and distribution plans passed at the meetings of the Remuneration and Evaluation Committee shall be in compliance with the relevant laws, regulations, the Articles and these rules of procedure. In principle, meetings shall be held offline at a venue. On the premise of ensuring all attending members can fully communicate and express their opinions, if necessary, the meetings may be convened via video, telephone, or other means in accordance with procedures.
- (IX) The meetings of the Remuneration and Evaluation Committee shall be arranged by the secretary to the board of directors of the Company. Minutes of the meetings shall be kept with sufficient details of the matters considered and decisions reached at the meetings, including any concerns raised or dissenting views expressed by the members.

Meeting minutes shall be prepared by the board office and include the following information:

1. meeting number, method of convening, date, venue, and name of the moderator;
2. attendance, absence, and proxy attendance;

3. names and positions of attendees;
4. meeting agenda;
5. key points of speeches by committee members and relevant attendees;
6. name of the minute-taker.

The minutes of the meetings shall be signed by members present at the meetings and shall be maintained by the secretary to the board of directors of the Company for not less than ten years.

- (X) The resolutions passed by, and the voting results of, the Remuneration and Evaluation Committee shall be submitted in writing to the board of directors of the Company for approval. If the board of directors does not adopt or only partially adopts the recommendations of the Remuneration and Evaluation Committee, the board resolution shall include the Remuneration and Evaluation Committee's opinions and the specific reasons for non-adoption, and such information shall be disclosed.
- (XI) All members of the committee and persons observing the meeting shall keep their discussions at the meetings confidential, and shall not disclose any relevant information without authorization.

CHAPTER 3 SUPPLEMENTARY PROVISIONS

Clause 9 For any matters not covered by these rules of procedure, or in case of any conflict between these rules of procedure and relevant laws, regulations, normative documents and the Articles, the relevant laws, regulations, normative documents and the Articles shall prevail.

Clause 10 These rules of procedure, after being approved by the board of directors, shall become effective and applicable from the date of the Company's initial public offering of A shares and listing on the STAR Market of the Shanghai Stock Exchange. Upon the effective date of these rules of procedure, the Terms of Reference for the Remuneration and Evaluation Committee of the Company formulated previously shall be automatically revoked.

Clause 11 Unless otherwise specified, terms used herein shall have the same meanings ascribed to them in the Articles. These rules of procedure are formulated and may be amended by the board of directors of the Company which shall have the right to interpret the same.