

B&K CORPORATION LIMITED
華 芒 生 物 科 技 (青 島) 股 份 有 限 公 司

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

(Stock Code: 2396)

(hereinafter referred to as the “**Company**”)

REMUNERATION COMMITTEE — TERMS OF REFERENCE

1. Members

- 1.1 The Remuneration Committee shall be established by the Board of the Company. The Remuneration Committee shall comprise a minimum of three members, the majority of whom shall be independent non-executive Directors. Members of the Remuneration Committee shall be appointed by the Board.
- 1.2 The chairperson of the Remuneration Committee shall be appointed by the Board and shall be an independent non-executive Director.
- 1.3 The term of appointment of members of the Remuneration Committee shall be determined by the Board at the time of appointment and shall not exceed such member's term of office as a director.

2. Secretary

- 2.1 The secretary to the Remuneration Committee shall be the company secretary.
- 2.2 The Remuneration Committee may from time to time appoint any other suitably qualified and experienced person as secretary to the Remuneration Committee.

3. Meeting

- 3.1 The Remuneration Committee shall meet at least once a year. Any member of the Remuneration Committee or its secretary may request a meeting.
- 3.2 Unless unanimously waived by all members, notice of any meeting shall be given at least five working days (excluding Saturdays, Sundays and public holidays in Chinese Mainland and Hong Kong) prior to the meeting. Notwithstanding the notice period, attendance at a meeting by a member of the Remuneration Committee shall be deemed waiver of the required notice by that member. If an adjourned meeting is held within 14 days after the meeting, no notice is required for such adjourned meeting.
- 3.3 The quorum for a meeting of the Remuneration Committee shall be any two members of the Remuneration Committee, at least one of whom must be an independent non-executive Director.
- 3.4 Meetings may be held in person, by telephone or by means of video conference. Members of the Remuneration Committee may participate in a meeting by conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.
- 3.5 Resolutions of the Remuneration Committee, if made at a meeting, shall be passed by a majority vote of the members of the Remuneration Committee present at the meeting. In the case of an equality of votes, the chairperson of the Remuneration Committee shall have a second or casting vote.
- 3.6 A resolution in writing signed by all members of the Remuneration Committee shall be as valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly convened and held.
- 3.7 Full minutes of meetings of the Remuneration Committee shall be kept by the duly appointed secretary of the meeting for inspection by the directors. Draft and final versions of the minutes shall be sent to all members of the Remuneration Committee within a reasonable period after the meeting, with the draft for members' comments and the final version for their records.

4. Meeting Attendance

- 4.1 The chairperson of the Board, supervisors, the president, the general manager or the chief financial officer (or persons holding the same position), external advisers and/or other persons may be invited to attend all or any part of any meeting at the invitation of the Remuneration Committee.
- 4.2 Only members of the Remuneration Committee shall have the right to vote at meetings of the Remuneration Committee.

5. Annual General Meetings

- 5.1 The chairperson of the Remuneration Committee or (in his/her absence) another member of the Remuneration Committee (who must be an independent non-executive Director) shall attend the annual general meeting of the Company and answer questions from shareholders concerning the activities and responsibilities of the Remuneration Committee.

6. Responsibilities and Authority

The Remuneration Committee shall have the following responsibilities and authority:

- 6.1 To make recommendations to the Board on the Company's remuneration policy and structure for all directors and senior management members, and on developing a formal and transparent procedure for formulating remuneration policy;
- 6.2 To review and approve the remuneration of the management with reference to the corporate goals and objectives set by the Board;
- 6.3 To either (i) be delegated with the responsibility by the Board to determine the remuneration packages of individual executive Directors and senior management; or (ii) make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. This should include non-monetary benefits, pension rights and compensation payments (including compensation for loss or termination of office or appointment);
- 6.4 To make recommendations to the Board on the remuneration of non-executive Directors;

- 6.5 To consider factors such as remuneration paid by comparable companies, the time commitment and responsibilities involved, and the employment conditions within the Group for other positions;
- 6.6 To review and approve compensation payable to executive Directors and senior management for their loss or termination of office or appointment to ensure that such compensation is consistent with the contractual terms; if it is not consistent with the contractual terms, it should be fair and reasonable and not excessive;
- 6.7 To review and approve compensation arrangements relating to the dismissal or removal of any director for misconduct to ensure that such arrangements are consistent with the contractual terms; if not consistent with the contractual terms, the compensation should be reasonable and appropriate;
- 6.8 To ensure that no director or any of his/her associates is involved in deciding his/her own remuneration;
- 6.9 To review or approve matters relating to share schemes as mentioned in Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
- 6.10 To consider and perform such other matters as may be defined or delegated by the Board from time to time or as required by the Listing Rules from time to time.

7. Reporting

- 7.1 The Remuneration Committee shall report to the Board after each meeting.

8. Authority

- 8.1 The Remuneration Committee should consult the chairperson of the Board regarding the remuneration proposals for other executive Directors;
- 8.2 The Remuneration Committee is authorised by the Board to seek any information it requires from the directors and senior management of the Company regarding remuneration in order to fulfil its responsibilities.
- 8.3 The Remuneration Committee may seek independent professional advice as necessary to fulfil its responsibilities at the Company's expense.

Note: Arrangements for seeking independent professional advice may be made through the company secretary.

- 8.4 The Remuneration Committee shall be provided with sufficient resources to discharge its duties.