

# **ImmuneOnco Biopharmaceuticals (Shanghai) Inc.**

## **Terms of Reference of the Remuneration Committee**

### **Chapter 1 General Provisions**

**Article 1** Pursuant to the Company Law of the PRC (the “**Company Law**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, and other relevant laws, regulations, regulatory documents as well as the Articles of Association of ImmuneOnco Biopharmaceuticals (Shanghai) Inc. (the “**Articles of Association**”) applicable after the issuance of H shares, ImmuneOnco Biopharmaceuticals (Shanghai) Inc. (the “**Company**”) hereby, establishes the Remuneration Committee of the Board and formulates the Terms of Reference of the Remuneration Committee of the Board of ImmuneOnco Biopharmaceuticals (Shanghai) Inc. (the “**Terms of Reference**”) based on the actual conditions of the Company, in order to establish and further improve the remuneration and appraisal management system of the Company, and enhance its corporate governance structure.

**Article 2** The Remuneration Committee is a specialised working body set up under the Board of the Company. It is mainly responsible for reviewing the assessment and remuneration plans or schemes of the Company’s directors and senior management.

**Article 3** Directors mentioned in the Terms of Reference refer to the directors who receive remuneration from the Company, and the senior management refers to the general manager, deputy general manager, secretary to the board of directors, chief financial officer, senior research and development director and other senior management personnel of the Company expressly appointed by the Board. The “general manager” mentioned in the Terms of Reference refers to the “manager” mentioned in the Company Law.

### **Chapter 2 Composition**

**Article 4** The Remuneration Committee shall consist of an odd number of three or more directors, with at least one-half of the members being independent non-executive Directors.

**Article 5** Members of the Remuneration Committee shall be nominated by the chairman of the Board or the Nomination Committee of the Board, and shall be elected by more than half of directors of the Board. After the proposal for electing members of the Remuneration Committee has been approved, the new members of the Remuneration Committee shall take office immediately after the conclusion of the meeting of the Board.

**Article 6** The members of the Remuneration Committee shall be appointed and removed by the Board. The Remuneration Committee shall report its work to the Board from time to time.

**Article 7** The Remuneration Committee shall have one convener being the chairman of the Remuneration Committee, who shall be an independent non-executive director. The chairman of the Remuneration Committee shall be appointed by the Board and shall be responsible for presiding over the works of the Remuneration Committee. When the chairman of the Remuneration Committee is unable to or fails to perform his/her duties, an independent non-executive director shall be elected by over half of the members to perform the chairman's duties.

**Article 8** The term of office of the Remuneration Committee shall be the same as that of the Board. A member may serve consecutive terms if re-elected upon expiry of his/her term of office. During his/her term of office, if any member ceases to be a director of the Company, or any member with the capacity of an independent non-executive director ceases to have the independence as stated in the Articles of Association and the Listing Rules, his/her membership in the Remuneration Committee shall lapse automatically. A member of the Remuneration Committee may submit his/her resignation report in writing to the Board prior to the expiry of his/her term of office to resign from his/her position in the Remuneration Committee. The resignation report shall contain such reasons for resignation and matters which require the attention

of the Board as necessary. Where the number of members of the Remuneration Committee falls below the required minimum number specified in Article 4 and Article 7 of the Terms of Reference due to the resignation or removal of members or other reasons, the Board of Directors shall, according to the requirements of the Listing Rules, immediately state relevant details and reasons by announcement, and fill the vacancy according to Article 4 to Article 7 of the Terms of Reference within three months from the date when the number of members of the Remuneration Committee is less than the required minimum number. The term of office for the member filling the vacancy shall expire upon the expiration of his/her term of office as a director. A member of the Remuneration Committee shall not, before the expiry of his/her term of office, be relieved of his/her duties without causes except for the situations that prevent such member from holding office as specified in the Company Law, the Articles of Association or the Listing Rules.

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

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

(i) to make recommendations to the Board on the Company's remuneration policies and structure for all directors' and senior management and on the establishment of a formal and transparent procedure for developing remuneration policies based on the main responsibilities scope, time required to devote and importance of the positions of directors and senior management personnel, the remuneration level of other relevant positions in the relevant enterprises, and the employment conditions of other positions in the Company;

(ii) to review the management's remuneration proposals with reference to the Board's corporate policies and objectives;

(iii) to supervise the implementation of the Company's remuneration policies taking into account of the remuneration paid by similar companies, the time and responsibilities required, and the employment conditions of other positions within the Group;

(iv) to make recommendations to the Board on the determination of the remuneration packages of individual executive directors and senior management,

including benefits in kind, pension rights and compensation amounts (including compensation payable for loss or termination of office or appointment), and to make recommendations to the Board on the remuneration of non-executive directors;

(v) to consult the chairman of the Board or the general manager in respect of the remuneration proposed for other executive directors. The Remuneration Committee shall seek independent professional opinions if necessary;

(vi) to review the compensation payable to executive directors and senior management for any loss or termination of office or appointment, so as to ensure that such compensation is consistent with the contractual terms and is otherwise fair, reasonable and not excessive;

(vii) to review compensation arrangements relating to the dismissal or removal of directors for misconduct, so as to ensure that such arrangements are consistent with the contractual terms and are otherwise reasonable and appropriate;

(viii) to ensure that any director or any of his/her associate (as defined in the Listing Rules) does not participate in the determination of his/her own remuneration; and in relation to 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) other matters authorized by the Board.

**Article 10** The remuneration plans or schemes proposed by the Remuneration Committee shall not prejudice the interests of the shareholders. The Board shall have the right to reject any remuneration plans or schemes that prejudice the interests of the shareholders.

**Article 11** The remuneration plans or schemes for the directors of the Company proposed by the Remuneration Committee shall be approved by the Board and submitted to a shareholder's general meeting for consideration and approval before implementation. The remuneration plans or schemes for the senior management of the Company shall be reported to the Board for approval. The Remuneration Committee shall be accountable to the Board and proposals of the Remuneration Committee shall

be submitted to the Board for consideration. Relevant departments of the Company shall be obligated to cooperate with the Remuneration Committee and provide relevant materials.

Unless otherwise provided by the Company Law and the Articles of Association, pursuant to the Listing Rules, the service contracts of directors or supervisors, which are subject to the shareholders' approval, include:

(i) service contracts with a term of more than three years; or

(ii) contracts which may not be terminated by the Company unless more than one year's notice is given or compensation or other payments amounting to more than one year's emoluments are made.

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

**Article 12** The Remuneration Committee shall make available the Terms of Reference explaining its role and the authority delegated to it by the Board on the website of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) and the Company's website.

## **Chapter 4 Working Procedures**

**Article 13** The secretary to the Board of the Company is responsible for connecting and coordinating with the relevant departments to provide information related to human resources as well as individuals to be assessed, preparing for meetings of the Remuneration Committee and implementing relevant resolutions of the Board and the Remuneration Committee.

**Article 14** The Company shall provide relevant information for the performance

of duties of the Remuneration Committee:

(i) the scope of work and performance of main duties of the directors and senior management of the Company;

(ii) the annual performance assessment results of the directors and senior management;

(iii) the historical remuneration levels of the directors and senior management;

(iv) the remuneration plans or schemes formulated according to the results of the Company;

(v) information on various remuneration systems and their implementation situation across the Company.

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 the chairman is absent) another 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' enquiry on the activities and responsibilities related to the Remuneration Committee.

## **Chapter 5 Rules of Procedure**

**Article 15** The meetings of the Remuneration Committee shall be held at least once a year. An interim meeting of the Remuneration Committee may be convened when the chairman of the Remuneration Committee deems it necessary upon the proposal of more than half of the members of the Remuneration Committee or the recommendation of the chairman of the Board.

**Article 16** The meetings of the Remuneration Committee shall be convened by the chairman of the Remuneration Committee. Notices of meetings, signed by the chairman of the Remuneration Committee, and materials for meetings shall be given to all members of the Remuneration Committee three days prior to the meeting (excluding

the date of the meeting). Upon unanimous consent of all members of the Remuneration Committee, the requirement for such prior notice period may be exempted.

**Article 17** The meetings of the Remuneration Committee shall be presided over by the chairman of the Remuneration Committee; if the chairman is unable to attend, he/she may entrust 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, one of whom must be an 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 subject and scope of authorization and the validity period of the power of attorney, and shall be signed or officially sealed by the principal and submitted to the presider of the meeting no later than the commencement of voting. If a member fails to attend a meeting of the Remuneration Committee and fails to appoint a proxy, 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 more than half of all members, and relevant resolutions or opinions shall be signed by the participating members of the Remuneration Committee. 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 have a casting vote.

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

**Article 20** The Remuneration Committee may invite the directors, supervisors, senior management and external advisors of the Company to attend such meetings when necessary. Persons attending the meetings may explain or illustrate the matters discussed at the meetings, but non-members of the Remuneration Committee shall have no voting rights.

**Article 21** The Company shall provide sufficient resources to the Remuneration Committee to perform its duties. The senior management and relevant departments of the Company shall adopt a cooperative and supportive attitude towards the Remuneration Committee, provide relevant information and actively cooperate with the Remuneration Committee. If necessary, the Remuneration Committee may engage an intermediary institution to provide professional opinion for its decision-making. The employment term of the relevant intermediary institution and its fees are to be decided by the Remuneration Committee. The reasonable expenses shall be borne by the Company, and the Company shall disclose in its annual report its policy on directors' remuneration, details of remuneration of senior management members and other matters related to remuneration by band.

**Article 22** In any of the following circumstances, a member of the Remuneration Committee shall disclose to the Remuneration Committee in advance, and abstain in the discussion and resolution of the Remuneration Committee in relation to relevant issues:

- (i) evaluating the said member or discussing his/her remuneration;
- (ii) evaluating the associate (as defined in the Listing Rules) of the said member or discussing his/her remuneration; and
- (iii) other circumstances where the said member has interests or may be affected in making objective and fair judgments.

**Article 23** The convening procedures, voting method and approved remuneration policies and allocation schemes of the meetings of the Remuneration Committee shall comply with the relevant laws, regulations, the Articles of Association and the Terms of Reference.

**Article 24** The Remuneration Committee shall keep written minutes of its meetings. Draft and final versions of the minutes of the meetings shall be circulated to all members of the Remuneration Committee for their comment and record within a reasonable time after the meetings. The minutes of the meetings shall be signed by the members present at the meetings and be kept by the secretary to the Board.



**Article 25** Resolutions passed by the Remuneration Committee and the voting results shall be reported in writing to the Board for consideration.

**Article 26** Members present at meetings of the Remuneration Committee, and those present as observers, shall owe a duty of confidentiality as regards matters discussed during such meetings. No unauthorized disclosure of such information shall be allowed, unless otherwise stipulated under relevant laws, regulations and/or rules of regulatory bodies.

## **Chapter 6 Supplementary Provisions**

**Article 27** The phrases “more than” as referred to herein is inclusive of the number while “majority” is exclusive of the number.

**Article 28** The Terms of Reference are deliberated and approved by the Board of Directors, and shall come into force and be implemented from the day on which H Shares in the public offering are listed and traded on the main board of Hong Kong Stock Exchange. The Terms of Reference shall be amended and interpreted by the Board of Directors. The former Terms of Reference of the Remuneration Committee shall automatically become null and void from the effective date of the Terms of Reference.

**Article 29** Matters not covered herein shall be implemented in accordance with the provisions of relevant laws, regulations, departmental rules, the Listing Rules and any other relevant regulatory rules of the place(s) where the shares of the Company are listed and the Articles of Association. Where the Terms of Reference conflict with any provisions of relevant laws, regulations, departmental rules, the Listing Rules and any other relevant regulatory rules of the place(s) where the shares of the Company are listed, or the Articles of Association, such relevant laws, regulations, departmental rules, the Listing Rules and any other relevant regulatory rules of the place(s) where the shares of the Company are listed and the Articles of Association shall prevail, and the Terms of Reference shall be amended accordingly as soon as practicable and submitted to the Board for consideration and approval.

(If there is any ambiguity in the Chinese and English version of this document, the Chinese version shall prevail.)

**ImmuneOnco Biopharmaceuticals (Shanghai) Inc.**