



## **Clover Biopharmaceuticals, Ltd.**

### **三葉草生物製藥有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(hereafter the “**Company**”)

(**Stock Code: 2197**)

## **Remuneration Committee – Terms of Reference**

The remuneration committee of the Company (the “**Remuneration Committee**”) was established pursuant to a resolution passed by the board of directors of the Company (the “**Board**”) on September 26, 2021. Set out below are the terms of reference (the “**Terms of Reference**”) of the Remuneration 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. Members**

- 1.1 The Remuneration Committee should comprise a majority of independent non-executive directors.
- 1.2 The Remuneration Committee must be chaired by an independent non-executive director of the Company and appointed by the Board.
- 1.3 Members of the Remuneration Committee shall be appointed by the Board. The terms of appointment to the Remuneration Committee members should be determined by the Board at the appointment date.

### **2. Secretary**

- 2.1 The company secretary of the Company shall act as the secretary of the Remuneration Committee.
- 2.2 The Remuneration Committee may from time to time, appoint any other person with appropriate qualification and experience to act as the secretary of the Remuneration Committee.

### **3. Meeting**

- 3.1 The Remuneration Committee should meet at least once a year, or more frequently if circumstances required. The member of the Remuneration Committee can call for a meeting anytime when it is necessary.
- 3.2 Due notice should be given for any meeting, unless such notification is waived by all members of the Remuneration Committee. Notwithstanding the notification period, the attendance of the member of the Remuneration Committee at the meeting would be deemed to be treated as the waiver of the required notification requirement.

- 3.3 The quorum necessary for the transaction of business of the Remuneration Committee shall be two members of the Remuneration Committee, one of whom must be an independent non-executive director of the Company.
- 3.4 Meeting can be attended in person or via electronic means including telephone or videoconferencing. The members of the Remuneration Committee can attend the meeting via telephone or any similar communication device (all persons attending such meeting should be able to hear from such member via such communication device).
- 3.5 Resolutions of the Remuneration Committee shall be passed by more than half of its members.
- 3.6 A resolution passed and signed by all members of the Remuneration Committee is valid, and the validity is the same as any resolution passed in the meeting held.
- 3.7 Full minutes of the Remuneration Committee meeting should be kept by the company secretary of the Company or the duly appointed secretary of the Remuneration Committee and be available for review by the directors of the Company. Draft and final versions of minutes of the meeting should be sent to all members of the Remuneration Committee for their comment and records, within a reasonable time after the meeting.

#### **4. Meeting attendance**

- 4.1 Upon the invitation from the Remuneration Committee, the chairman or chairlady of the Board and/or the general manager or the chief executive officer, the chief financial officer, external advisor and other persons can be invited to attend all or part of any meeting.
- 4.2 Only the members of the Remuneration Committee can vote in the meeting.

#### **5. Annual General Meeting**

- 5.1 The chairman or chairlady of the Remuneration Committee or (if absent) the other member of Remuneration Committee (must be an independent non-executive director of the Company) should attend the annual general meeting of the Company, handle the shareholders' enquiry on the activities and responsibilities related to the Remuneration Committee.

#### **6. Duties and Powers**

The Remuneration Committee shall have the following duties and powers:

- 6.1 to make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- 6.2 to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- 6.3 to make recommendations to the Board on the remuneration packages of individual executive directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

- 6.4 to make recommendations to the Board on the remuneration of non-executive directors of the Company;
- 6.5 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries and consolidated affiliated entities;
- 6.6 to review and approve the compensation payable to executive directors of the Company 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;
- 6.7 to review and approve compensation arrangements relating to dismissal or removal of directors of the Company for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
- 6.8 to ensure that no director of the Company or any of his associates is involved in deciding his own remuneration. For the avoidance of doubt, members of the Remuneration Committee must not be involved in deciding his or her own remuneration.

## **7. Reporting**

- 7.1 The Remuneration Committee shall report to the Board after each of its meetings.

## **8. Authority**

- 8.1 The Remuneration Committee should consult the chairman or chairlady of the Board and/or the chief executive officer about their remuneration proposals for other executive directors of the Company.
- 8.2 The Remuneration Committee is authorised to request the senior management of the Company to provide any required resources or information related to the remuneration package to perform its duties.
- 8.3 The Remuneration Committee should have access to independent professional advice at the Company's expense if necessary, to perform the responsibilities of the Remuneration Committee.

*Remark: the independent professional advice can be sought via the chief financial officer or the company secretary.*

- 8.4 The Remuneration Committee should be provided with sufficient resources to perform its duties.

*Remark: "senior management" refers to the same persons referred to in the Company's annual report. It is the responsibility of the directors of the Company to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries, heads of divisions, departments or other operating units within the group as, in the opinion of the Company's directors, is appropriate.*

## **9. General**

- 9.1 These Terms of Reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements, including those under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
- 9.2 The Remuneration Committee should make available these Terms of Reference to the public, explaining its role and the authority delegated to it by the Board, by including them on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.cloverbiopharma.com](http://www.cloverbiopharma.com)).