

# **FOSUN PHARMA**

## **复星医药**

**Shanghai Fosun Pharmaceutical (Group)  
Co., Ltd.**

**Remuneration Management System for  
Directors and Senior Management**

Fosun Pharma  
11 May, 2026

# Shanghai Fosun Pharmaceutical (Group) Co., Ltd.

## Remuneration Management System for Directors and Senior Management

### Chapter I General Provisions

**Article 1** In order to continuously improve the corporate governance structure of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (hereinafter referred to as the “Company”), establish a sound, scientific, standardized and effective remuneration management system for Directors and senior management (hereinafter referred to as the “Directors and senior management”), strengthen the incentive and restraint mechanism, and promote the achievement of the Company’s strategic objectives and sustainable development, the Company formulated the System in accordance with the Company Law of the People’s Republic of China (《中華人民共和國公司法》) (hereinafter referred to as the “Company Law”), the Governance Standards for Listed Companies (《上市公司治理準則》) and other laws, regulations and regulatory documents, as well as the Articles of Association of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (hereinafter referred to as the “Articles of Association”), and in light of the actual situation of the Company.

**Article 2** The System shall apply to the following persons:

Directors: including executive Directors, non-executive Directors, independent non-executive Directors and employee Directors of the Company;

Senior management: refers to the senior management as defined in the Articles of Association.

**Article 3** The remuneration management for Directors and senior management shall adhere to the following principles:

- (1) Principle of legality and compliance. The remuneration management for the Company’s Directors and senior management shall strictly comply with national laws, administrative regulations, regulatory requirements and relevant provisions of the Articles of Association, and fulfill the corresponding deliberation procedures and

disclosure obligations.

- (2) Principle of strategic collaboration. The remuneration system for the Company's Directors and senior management shall be closely centered on the Company's medium and long-term development strategies, strengthen core competitive advantages, support the achievement of strategic objectives, and promote the creation of sustainable value and enhancement of long-term returns for shareholders.
- (3) Principle of equating incentives with restraints. The remuneration level of the Company's Directors and senior management shall be commensurate with the Company's operating performance, benchmarking in the industry and regional markets, job value, responsibilities and risks. The payment of remuneration shall be closely linked to the Company's overall operating results and the achievement of individual performance targets.
- (4) Principle of fairness and transparency. The Company shall establish scientific, standardized, fair and transparent performance and duty performance evaluation criteria and procedures to ensure a fair, open and impartial remuneration management process.
- (5) Value-oriented principle. Within the framework of the remuneration system, priority shall be given to core value creators such as key positions, front-line core talents and highly skilled talents, so as to improve the efficiency of human resource allocation and the Company's core competitiveness.

## **Chapter II Administrative Authority and Procedures**

**Article 4** The remuneration and appraisal program for the Company's senior management shall be formulated by the Remuneration and Appraisal Committee and submitted to the Board for deliberation and approval.

The remuneration and appraisal program for the Company's executive Director shall be formulated by the Remuneration and Appraisal Committee, and submitted to the general meeting

for approval upon deliberation by the Board. The allowance program for the Company's independent non-executive Director shall be formulated by the Remuneration and Appraisal Committee, and submitted to the general meeting for approval upon deliberation by the Board.

The remuneration and appraisal program for the employee Director shall be reviewed and approved based on the positions he/she holds in the Company in accordance with the Company's relevant performance management and remuneration management policies.

While the Remuneration and Appraisal Committee or the Board conducts performance evaluation on the aforesaid Directors and senior management or discusses their remuneration/allowances, the relevant Directors shall recuse themselves.

**Article 5** The Remuneration and Appraisal Committee, under the Board of the Company, shall be responsible for formulating the appraisal criteria for Directors and senior management and conducting appraisals, and formulating and reviewing the remuneration policies and proposals, such as the remuneration determination mechanisms, decision-making processes, payment and cessation of payment recovery arrangements for Directors and senior management, and making recommendations to the Board on the following matters:

- (1) Remuneration policies, plans or programs for Directors and senior management;
- (2) Establishment or modification of share incentive schemes, employee share ownership schemes, and the fulfillment of the conditions for granting interests to participants or exercising the interests;
- (3) Arrangement of share ownership schemes for Directors and senior management in the proposed spin-off of subsidiaries;
- (4) Other matters stipulated by the laws, administrative regulations, departmental rules, regulatory documents, the rules of securities regulatory authorities and stock exchanges at the location where the Company's shares are listed, and the Articles of Association.

**Article 6** The relevant departments of the Company shall carry out the specific implementation of remuneration and performance appraisal for Directors and senior management

under the guidance and unified organization of the Board.

### **Chapter III Remuneration Structure and Level**

**Article 7** Executive Directors and employee Directors shall receive remuneration based on their respective management responsibilities in accordance with the Company's relevant remuneration and performance appraisal measures. Non-executive Directors shall not receive remuneration from the Company. Independent non-executive Directors shall receive fixed allowances.

**Article 8** The remuneration of the Company's executive Directors, employee Directors and senior management shall in principle consist of the following parts: Basic pay: Determined according to factors such as job value, responsibility contribution, competency requirements, and remuneration level in the industry and regional market, and paid on a monthly basis.

Performance-based pay: A variable compensation part linked to the Company's annual business performance targets and individual annual performance appraisal results. For senior management, the proportion of performance-based pay in the sum of their annual basic pay and performance-based pay shall in principle be no less than 50%.

Medium and long-term incentives: Including but not limited to equity incentives (stock options, restricted shares, etc.), employee share ownership scheme and other incentives related to the Company's business performance and strategic development, aiming to encourage Directors and senior management to focus on the long-term value of the Company.

**Article 9** To adapt to the development needs of the Company, the remuneration level of the Company's Directors and senior management shall be determined and adjusted by comprehensively taking into account the following factors:

- (1) The Company's operating performance, financial position and payment capacity;
- (2) Industry characteristics, regional remuneration levels and market benchmarking data;
- (3) Results of job value evaluation;

- (4) Professional competence, performance contributions and individual performance appraisal results of Directors and senior management.

**Article 10** The achievement of the Company's performance targets and individual performance appraisal results shall serve as an important basis for the determination and payment of performance-based pay for the Company's executive Directors, employee Directors and senior management. The achievement of the Company's performance shall be based on audited financial data.

## **Chapter IV Remuneration Payment, Recovery and Clawback**

**Article 11** Allowances for independent non-executive Directors of the Company shall be paid on a monthly basis in accordance with the annual standards approved by the general meeting. Basic pay for other Directors and senior management members shall be paid on a monthly basis. Performance-based pay shall be paid based on appraisal results at the time specified in the Company's relevant remuneration management policies.

Where a deferred payment mechanism is adopted for the Company's medium and long-term incentives, specific implementation shall be subject to the provisions of the corresponding incentive schemes.

**Article 12** All remuneration standards of the Company's Directors and senior management (including allowances for independent non-executive Directors) shall be pre-tax amounts. Individual income tax shall be withheld and paid by the Company in accordance with the law.

**Article 13** In any of the following circumstances, the Company shall have the right to initiate the remuneration recovery and clawback procedure:

- (1) The Company's financial reports contain material accounting errors or false records, and the Company is ordered by regulatory authorities to restate such reports or is found by judicial authorities to have committed financial fraud;
- (2) The Director or senior management commits any acts that impair the interests of the Company, such as illegal guarantee, fund occupation, violation of scientific research

ethics, etc.;

- (3) The Director or senior management causes material economic losses or reputational damage to the Company due to improper performance of duties, gross negligence or intentional acts;
- (4) The Director or senior management is subject to administrative penalties by the CSRC or its dispatched agencies, or is publicly condemned or declared unfit to serve as a director or senior management member of a listed company by the SSE due to material violations of laws or regulations;
- (5) The Director or senior management commits other acts in violation of laws and regulations, the Articles of Association or the Company's rules and policies.

**Article 14** As authorized by the Board of the Company, the Remuneration and Appraisal Committee shall investigate and assess whether to initiate a remuneration recovery procedure against specific Directors and senior management, make recovery recommendations, and implement them after approval by the Board.

**Article 15** Where any circumstance stipulated in Article 13 of the System occurs, the Company shall, in light of the seriousness of the case and in accordance with the recovery procedures, recover all or part of the performance-based pay and medium and long-term incentive benefits that have been paid to the relevant Directors and senior management during the period of improper acts, and reduce or suspend the payment of performance-based pay, medium and long-term incentives and other benefits that have not yet been paid. The Remuneration and Appraisal Committee shall review and approve the compensation to be paid by the relevant Directors and senior management for their improper acts and relevant compensation arrangements, to ensure that such arrangements are fair and reasonable.

The above recovery and clawback provisions shall also apply to resigned personnel.

## **Chapter V Supplemental Provisions**

**Article 16** Matters not covered by the System, or provisions that conflict with relevant laws,

administrative regulations, departmental rules, requirements of the securities regulatory authorities of the place where the Company's shares are listed, and the Articles of Association shall be subject to such laws, administrative regulations, departmental rules, requirements of the securities regulatory authorities of the place where the Company's shares are listed, and the Articles of Association.

**Article 17** The System shall take effect upon approval by the general meeting of the Company. The same shall also apply to amendments.

**Article 18** The System shall be interpreted by the Board of the Company.