

WUXI APPTEC CO., LTD.

REMUNERATION AND APPRAISAL COMMITTEE

OF THE BOARD OF DIRECTORS

TERMS OF REFERENCE

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WuXi AppTec Co., Ltd.

Terms of Reference

Remuneration and Appraisal Committee of the Board of Directors

Chapter 1 General

Clause 1 In order to establish a sound remuneration and appraisal management system for directors and senior management of WuXi AppTec Co., Ltd. (the “**Company**”) and improve its corporate governance structure, the Company has established the remuneration and appraisal committee under the Board and formulated these terms of reference in accordance with the Company Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, Rules of Committees under the Board of Directors (4) — Guidelines of the Rules of Remuneration and Appraisal Committee under the Board of Directors, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association of WuXi AppTec Co., Ltd. (the “**Articles**”) and Rules of the Board of Directors of WuXi AppTec Co., Ltd.

Clause 2 The Remuneration and Appraisal Committee is a specialized body set up by the Board. It is primarily responsible for formulating performance evaluation standards for the directors and senior management of the Company and carrying out such evaluation. It is also responsible for determining and reviewing the remuneration policy and plans concerning the directors and senior management as well as studying share incentive plans and giving suggestions. The committee assumes responsibility to the Board.

Clause 3 For the purpose hereof, “directors” refer to the directors who receive remuneration from the Company; and “senior management” refers to the senior management appointed by the Board as defined in Articles.

Chapter 2 Composition

Clause 4 The Remuneration and Appraisal Committee shall be composed of three directors, more than half of whom shall be independent directors.

Clause 5 The members of the Remuneration and Appraisal Committee shall be nominated by the chairman of the Board, not less than half of the independent directors or not less than one third of all directors and shall be elected by a majority of all directors.

Clause 6 The Remuneration and Appraisal Committee shall have a chairman (the convener) who shall be an independent director approved by the Board and responsible for the work of the committee.

Clause 7 The terms of office of the members of the Remuneration and Appraisal Committee shall coincide with that of the current session of the Board. A member of the Remuneration and Appraisal Committee shall be re-appointed if re-elected upon the expiry of his/her term of office. If any member ceases to be a director of the Company during his/her term of office, he/she shall immediately cease to be a member. The vacancy shall be filled up by the Board in accordance with these terms of reference.

Clause 8 A member of the committee may tender his/her resignation to the Board before expiry of his/her term of office. The resignation letter shall include statements on the reason of resignation and any matters that need to be brought to the attention of the Board.

Clause 9 In the event that the number of members of the committee falls below the minimum required, the Board shall fill up the vacancy in accordance with these terms of reference.

Clause 10 The Remuneration and Appraisal Committee shall have a working team (the “**Working Team**”) as an administrative body headed and established by senior management responsible for human resources of the Company. Members of the Working Team need not be members of the Remuneration and Appraisal Committee. The Working Team shall preliminarily review remuneration plans, provide the operation information of the Company and the relevant information of personnel being appraised, present a proposal to the committee for review, and implement the resolutions passed by the committee.

The Human Resources Department of the Company shall take the lead in daily communication between the Remuneration and Appraisal Committee and the Working Team, and the Office of the Board shall be responsible for organizing the committee meetings.

Chapter 3 Duties and Responsibilities

Clause 11 The main duties and responsibilities of the Remuneration and Appraisal Committee are:

- (1) to formulate remuneration plans or proposals based on the main function scope, duties and importance of the management positions taken by directors and senior management and the remuneration level of the corresponding positions in other comparable enterprises, and to make recommendations to the Board on the establishment of a formal and transparent formulation procedure of the remuneration policy;
- (2) to determine such remuneration plans or proposals that mainly include, but without limitation to, standards and procedures for performance assessment and the principal assessment system, as well as the principal plan and system of rewards and punishments;
- (3) to review and advise on the share incentive schemes to be implemented by the Company, and to review and/ or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
- (4) to manage the share incentive schemes, including but not limited to reviewing the qualifications, granting conditions and vesting conditions of personnel under the share incentive schemes;
- (5) to review the performance of duties by the directors (non-independent directors) and senior management of the Company, and assess their performance;
- (6) to oversee the implementation of the remuneration system of the Company;
- (7) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (8) to determine, with delegated responsibility by the Board, the remuneration packages of individual non-independent directors and senior management; or to make recommendations to the Board on the remuneration packages of individual non-independent 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 offices or appointment;
- (9) to make recommendations to the Board on the remuneration of independent directors;
- (10) to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions for other positions of the Company;

- (11) to review and approve compensation payable to non-independent directors and senior management for any loss or termination of their offices or appointment to ensure that such arrangements are consistent with the contractual terms. In case of any inconsistency, such compensation shall be otherwise reasonable and appropriate without being excessive;
- (12) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (13) to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration; and
- (14) to deal with other matters authorized by the Board.

Clause 12 The Board has the veto right to remuneration plans or proposals which are detrimental to the interests of all shareholders.

Clause 13 Any remuneration plan of the directors of the Company proposed by the Remuneration and Appraisal Committee shall be approved by the Board and then submitted to the shareholders' general meeting for consideration and approval prior to implementation. Any proposal of remuneration distribution for senior management of the Company shall be submitted to the Board for approval.

Clause 14 The Remuneration and Appraisal Committee may engage intermediaries to provide professional opinions at the cost of the Company.

Chapter 4 Decision Making

Clause 15 The Working Team is responsible for the preparatory work in relation to the decision making of the Remuneration and Appraisal Committee, submitting proposals to the Nomination Committee for approval and providing the following information about the Company:

- (1) the progress of fulfillment by the Company of its key financial targets and business objectives;
- (2) the division of labor of the Company's senior management and the execution of their respective main duties;
- (3) the progress of target achievement considered in the appraisal system of performance of directors and senior management of the Company;

- (4) information about the business initiatives and profit-making ability of directors and senior management of the Company in business operation; and
- (5) the basis for formulating the Company's remuneration distribution plan and method based on its operating results.

Clause 16 The procedures for appraising the directors and senior management of the Company adopted by the Remuneration and Appraisal Committee are as follows:

- (1) the directors and senior management of the Company shall report their work and make self-appraisals to the Remuneration and Appraisal Committee under the Board;
- (2) the Remuneration and Appraisal Committee shall carry out performance appraisal of the directors and senior management according to the performance appraisal standards and procedures;
- (3) a proposal on the amount of remuneration and method of reward for the directors and senior management of the Company based on the results of performance appraisals and prepared according to the remuneration distribution policies shall be made and, after a voting in its favor, shall be reported to the Board. The proposal on the amount of remuneration and method of reward for the directors shall be submitted by the Board to the shareholders' general meeting for approval.

Chapter 5 Rules of Meeting

Clause 17 The chairman of the Remuneration and Appraisal Committee may convene meeting if he/she considers necessary or upon suggestion of the manager of the Working Team by giving three days' notice to members of the Remuneration and Appraisal Committee. In case of emergency or special events, the requirement of notice may be waived upon approval of the chairman and the notice of meeting may be sent at any time and the chairman of the Remuneration and Appraisal Committee shall make an explanation at the meeting. The chairman of the Remuneration and Appraisal Committee shall convene and preside over the meetings of the committee. Where the chairman fails to perform his/her duties, he/she shall appoint another member to perform the duties on his/her behalf. Where the chairman fails to perform his/her duties or to appoint another member to perform the duties on his/her behalf, any of the members shall inform the Board and the Board shall appoint a member to perform the duties of the chairman of the committee.

Clause 18 The quorum of the Remuneration and Appraisal Committee meetings shall be not less than two thirds of the members. Each member shall be entitled to one vote. Resolutions of the meeting must be approved by a majority of all the members.

Clause 19 Committee member may attend the meeting in person and may authorize other members to attend the meeting and exercise their voting rights. Each member of the Remuneration and Appraisal Committee shall fully communicate with each other and consider the opinions of other members when considering the resolutions. Resolution shall be thoroughly discussed and agreed by the Remuneration and Appraisal Committee before submission to the Board for consideration.

Clause 20 The Remuneration and Appraisal Committee shall vote by a show of hands or by a poll. Meetings may also be convened by voting through communication.

Clause 21 Where necessary, the Remuneration and Appraisal Committee may invite directors, supervisors and other senior management of the Company to the meetings.

Clause 22 Where a member of the Remuneration and Appraisal Committee is involved in the matter being discussed at the meeting of the committee, he/she shall abstain from attending such meeting.

Clause 23 The procedures for convening a meeting, the method of voting and the resolutions passed at a meeting of the Remuneration and Appraisal Committee shall comply with relevant laws and regulations, the Articles and these terms of reference.

Clause 24 The Remuneration and Appraisal Committee shall resolve on matters by means of written resolutions. Members present at the meetings shall sign the written resolutions of the meetings, which shall be kept by the secretary of the Board of the Company.

Clause 25 Resolutions of the Remuneration and Appraisal Committee meetings shall include at least the following information: the date and venue of the meeting and name of the convener; names of attendees, with special notes added for proxies; the way of voting on each item or proposal and voting results; other matters that should be explained or stated in the resolutions.

Clause 26 The resolutions passed and the results of voting at the meeting of the Remuneration and Appraisal Committee shall be reported in writing to the Board of the Company.

Clause 27 Members and representatives attending and observing the meeting shall have an obligation to keep all matters discussed in such meetings confidential and shall not disclose relevant information without authorization.

Chapter 6 Miscellaneous

Clause 28 These terms of reference shall come into effect upon approval of the Board. The existing terms of reference of Remuneration and Appraisal Committee of the Board of WuXi AppTec Co., Ltd. shall automatically lapse by then.

Clause 29 Any matters not covered by these terms of reference shall be dealt with in accordance with the provisions of relevant laws, regulations, the listing rules of the stock exchanges where the Company's shares are listed and the Articles. If these terms of reference contravene any future laws and regulations, the listing rules of the stock exchanges where the Company's shares are listed or the Articles as amended under legal procedures, the relevant laws, regulations, listing rules of the stock exchanges where the Company's shares are listed and the Articles shall prevail, and these terms of reference shall be amended forthwith and submitted to the Board for review and approval.

Clause 30 The interpretation of these terms of reference shall be vested in the Board.