

COMPENSATION COMMITTEE CHARTER

This Compensation Committee Charter (the “Charter”) was adopted by the Board of Directors (the “Board”) of AnPac Bio-Medical Science Co., Ltd., a British Virgin Islands company (the “Company”) on October 31, 2019, and shall become effective immediately upon the completion of the Company’s initial public offering of its ordinary shares, in the form of American Depositary Shares, in the United States and elsewhere.

1. Purpose

The purpose of the Compensation Committee (the “Committee”) of the Board is

- (1) to discharge the Board’s responsibilities relating to compensation of the Company’s executives, including reviewing and evaluating and, if necessary, revising the compensation plans, policies and programs of the Company adopted by the Company’s management;
- (2) to review and approve the annual report on executive compensation for inclusion in the Company’s annual report on Form 20-F filed with the United States Securities and Exchange Commission (the “SEC”); and
- (3) to ensure that compensation programs are designed to encourage high performance, promote accountability and assure that employee interests are aligned with the interests of the Company’s shareholders.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company’s memorandum and articles of association and bylaws, as amended and restated from time to time (collectively, the “Articles”). The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee’s sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

2. Membership

The Committee shall be composed of at least one director as determined by the Board, each of whom has experience and in the business judgment of the Board would be helpful in addressing the matters delegated to the Committee.

The members of the Committee, including the chairperson of the Committee (the “Chairperson”), shall be appointed by the Board. Committee members may be removed from the Committee, with or without cause, by the Board. Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

3. Meetings and Procedures

The Chairperson (or in his or her absence, a member designated by the Chairperson) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's Articles that are applicable to the Committee.

The Committee shall meet on a regularly scheduled basis periodically or as the Committee deems necessary or desirable. The Chairperson or any member of the Committee may call a meeting of the Committee.

All non-management directors that are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee may, at its discretion, include in its meetings members of the Company's management, representatives of the independent auditor, the internal auditor, any other financial personnel employed or retained by the Company or any other person whose presence the Committee believes to be necessary or appropriate. Notwithstanding the foregoing, the Committee may exclude from its meetings any persons it deems appropriate, including but not limited to, any non-management director that is not a member of the Committee.

The Committee will cause to be kept adequate minutes of all its proceedings. The Chairperson shall report to the Board following meetings of the Committee if requested by the Chairman of the Board.

4. Declaration of Interest

A member may vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at such meeting, unless such member is disqualified by the chairman of the Committee, provided that (a) such member has declared the nature of his interest at meeting at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting after he knows that he is or has become so interested and (b) if such contract or arrangement is a transaction with a related party, such transaction has been approved by the audit committee of the Company.

5. Duties and Responsibilities

5.1 Compensation Related Duties

- (a) The Committee shall periodically review and evaluate and, if necessary, revise the Company's compensation policy adopted by the management (if any) and amend, or recommend that the Board amend, these goals and objectives if the Committee deems it appropriate.

- (b) Evaluate periodically the performance of the Chief Executive Officer in light of the goals and objectives of the Company's executive compensation plans, and, either as a Committee or together with the other independent directors (as directed by the Board), determine and approve the Chief Executive Officer's compensation level based on this evaluation. In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee shall consider factors as it determines relevant, which may include, for example the Company's performance and relative shareholder return, the value of similar awards to chief executive officers of comparable companies, and the awards given to the Chief Executive Officer of the Company in past years. The Committee may recommend the Chief Executive Officer's compensation to the Board for its approval if it chooses to do so.
- (c) Evaluate periodically the performance of the other executive officers of the Company in light of the goals and objectives of the Company's compensation plans, and, either as a Committee or together with the other independent directors (as directed by the Board), determine and approve the compensation of such other executive officers. To the extent that long-term incentive compensation is a component of such executive officer's compensation, the Committee shall consider all relevant factors in determining the appropriate level of such compensation, including the factors applicable with respect to the Chief Executive Officer. The Committee may recommend the other executive officers' compensation to the Board for its approval if it chooses to do so.
- (d) The Company's management shall determine the compensation of all other employees of the Company (collectively, "Ordinary Employees"). The Committee shall have the right to review the compensation of the Ordinary Employees and recommend any proposed changes to the management.
- (e) The Committee shall periodically review and evaluate the performance of the Company's directors and recommend to the Board the compensation for the directors for its approval.
- (f) The Committee shall be responsible for reviewing all annual bonus, long-term incentive compensation, share option, employee pension and welfare benefit plans, and with respect to each plan, shall have responsibility for:
 - (i) setting performance targets of the executive officers under all annual bonus and long-term incentive compensation plans as appropriate;
 - (ii) certifying that any and all performance targets used for any performance-based equity compensation plans have been met before payment of any bonus or compensation or exercise of any executive award granted under any such plan(s) to any executive officer;
 - (iii) granting any awards under any performance-based annual bonus, long-term incentive compensation and equity compensation plans to the executive officers or current employees with the potential to become

executive officers, including share options and other equity rights (*e.g.*, restricted stock, stock purchase rights); and

- (iv) conducting periodic review of all compensation plans, including reviewing each plan's administrative costs, reviewing current plan features relative to any proposed new features, and assessing the performance of each plan's internal and external administrators if any duties have been delegated.
- (g) The Committee shall periodically review the Company's policies concerning perquisite benefits.
- (h) The Committee shall periodically review the Company's policies with respect to change of control or "parachute" payments, if any.
- (i) The Committee shall review and approve executive officers' and directors' indemnification and insurance matters.
- (j) The Committee shall review and approve any employee loans equal to or greater than an amount determined by the Committee from time to time.
- (k) The Committee shall review and approve the annual report on executive compensation for inclusion in the Company's annual report on Form 20-F filed with the SEC.

5.2 Other Duties

- (a) The Committee shall evaluate its own performance at least annually, including its compliance with this Charter, and provide any written material with respect to such evaluation to the Board, including any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.
- (b) The Committee shall periodically report to the Board on its findings and actions.
- (c) The Committee shall periodically review and reassess this Charter and submit any recommended changes to the Board for its consideration.

6. Role of Chief Executive Officer

The Chief Executive Officer may make, and the Committee may consider, recommendations to the Committee regarding the Company's compensation and employee benefit plans and practices, including its executive compensation plans, its incentive-compensation and equity-based plans with respect to executive officers other than the Chief Executive Officer and the Company's director compensation arrangements.

7. Delegation of Duties

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee, except that it shall not delegate its responsibilities as to matters that involves the compensation of the Chief Executive Officer or any other executive officer as set forth in paragraph 5 above.

8. Investigations and Studies; Outside Advisers

The Committee shall have the sole authority, as it deems appropriate, conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and to retain and/or replace, as needed, any independent counsels, compensation and benefits consultants, any search firm and other outside experts or advisers to be used to perform the duties and responsibilities the board delegates to the Committee. The Committee may also utilize the services of the Company's regular legal counsels or other advisers to the Company. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel, search firm or other adviser retained by the Committee. The Company shall provide for appropriate funding, as determined solely in the Committee's discretion, for payment of compensation to any such persons retained by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee may select a compensation consultant, legal counsel, search firm or other adviser to the Committee only after taking into consideration all factors relevant to that person's independence from management, including the following:

- (a) The provision of other services to the Company by the person that employs the compensation consultant, legal counsel, search firm or other adviser;
- (b) The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel, search firm or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel, search firm or other adviser;
- (c) The policies and procedures of the person that employs the compensation consultant, legal counsel, search firm or other adviser that are designed to prevent conflicts of interest;
- (d) Any business or personal relationship of the compensation consultant, legal counsel, search firm or other adviser with a member of the Committee;
- (e) Any share of the Company owned by the compensation consultant, legal counsel, search firm or other adviser; and
- (f) Any business or personal relationship of the compensation consultant, legal counsel, search firm, other adviser or the person employing the adviser with an executive officer of the Company.

The Committee shall conduct the independence assessment with respect to any compensation consultant, legal counsel, search firm or other adviser that provides advice to the Committee, other than: (1) in-house legal counsel; and (2) any compensation consultant, legal counsel, search firm or other adviser whose role is limited to the following activities for

which no disclosure would be required under Item 407(e)(3)(iii) of Regulation S-K: consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; or providing information that either is not customized for the Company or that is customized based on parameters that are not developed by the compensation consultant, legal counsel, search firm or other adviser, and about which the compensation consultant, legal counsel, search firm or other adviser does not provide advice.

Nothing herein requires a compensation consultant, legal counsel, search firm or other adviser to be independent, only that the Committee consider the enumerated independence factors before selecting or receiving advice from a compensation consultant, legal counsel, search firm or other adviser. The Committee may select or receive advice from any compensation consultant, legal counsel, search firm or other adviser it prefers, including ones that are not independent, after considering the six independence factors outlined above.

Nothing herein shall be construed: (1) to require the Committee to implement or act consistently with the advice or recommendations of the compensation consultant, legal counsel, search firm or other adviser to the Committee; or (2) to affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties.

9. Language Version

This Charter is written in both English and Chinese. In case of any discrepancy between the Chinese version and the English version, the English version shall prevail.

10. Others

This Charter is subject to subsequent revision and interpretation by the Board.