

# **Jiangsu Hengrui Pharmaceuticals Co., Ltd.**

## **江蘇恒瑞醫藥股份有限公司**

### **Terms of Reference of the Nomination Committee**

#### **Chapter 1 General Provisions**

**Article 1** In order to regulate the selection of the directors (the “Directors”) and senior management of Jiangsu Hengrui Pharmaceuticals Co., Ltd. (the “Company”), optimize the composition of the board of Directors (the “Board”) and enhance its corporate governance structure, in accordance with the Company Law of the PRC, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules of the Hong Kong Stock Exchange”), the Articles of Association, the Rules of Procedure of the Board of Directors and other relevant regulations, the Company has set up a nomination committee (the “Nomination Committee” or “Committee”) under the Board and formulated these terms of reference (the “Rules”).

**Article 2** The Nomination Committee of the Board is a special working body established by the Board in accordance with the resolutions of the shareholders, mainly responsible for selecting and advising on candidates for Directors and senior management of the Company and selection criteria and procedures.

#### **Chapter 2 Composition**

**Article 3** The Nomination Committee shall consist of three to seven Directors, of whom Independent Directors shall account for the majority. The Nomination Committee shall have at least one member of a different gender.

**Article 4** Members of the Nomination Committee shall be nominated by the chairman of the Board, more than one-half of the Independent Directors or one-third of all Directors, and shall be elected by the Board.

**Article 5** The Nomination Committee shall have a chairman (convener), who shall be an Independent Director, and shall be responsible for presiding over the work of the Committee. The chairman shall be elected from among the members and shall be subject to the Board’s approval.

**Article 6** The Nomination Committee shall have the same term of office as that of the Board. Members may, upon the expiry of their term of office, be re-appointed for a consecutive term if re-elected. During his/her term of office, if any member ceases to serve as a Director of the Company or any member who should be an Independent Director no longer possesses the independence or qualifications required by laws, regulations and regulatory documents, the listing rules of the place where the shares of the Company are listed or the Articles of Association, such member shall automatically lose the membership of the Committee, and the Committee shall fill the vacancy in accordance with the provisions of Articles 3 to 5 above.

### Chapter 3 Duties and Authorities

**Article 7** The Nomination Committee is responsible for formulating the criteria and procedures for the selection of Directors and senior management, selecting and reviewing the candidates for Directors and senior management and their qualifications for office, and making recommendations to the Board on the following matters:

- (I) to nominate, appoint or remove Directors, to appoint or dismiss the senior management; to formulate the criteria, procedures and methods for selection of Directors and senior management of the Company and submit the same to the Board for consideration; and review the structure, size and composition (including the skills, knowledge and experience) of the Board at least once a year and make recommendations on any proposed changes to the Board to complement the Company's strategy;
- (II) to identify individuals suitably qualified to serve as Directors, and investigate the candidates for other senior management nominated by the general manager (president), select and nominate relevant individuals as Directors or other senior management or provide advice to the Board in this regard;
- (III) to evaluate the overall qualifications, skills, knowledge and experience of Directors and senior management and assess the independence of the independent non-executive Directors;
- (IV) to examine and advise on candidates of Directors and the general manager (president), and make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and general manager (president);
- (V) to maintain the Board diversity policy, monitor the implementation of the Board diversity policy, and regularly review and disclose such policy or its highlights in the Company's corporate governance report, review and discuss any necessary amendments, and make recommendations on such amendments to the Board for approval;
- (VI) to support the Company's regular evaluation of the Board's performance;
- (VII) other matters as stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

**Article 8** The Nomination Committee shall be accountable to the Board. The Committee shall submit its proposals to the Board for consideration and decision. Unless with any sufficient reasons or reliable evidence, the controlling shareholders shall give full respect to the recommendations made by the Nomination Committee. No individuals shall be otherwise nominated to replace the nominated Directors or senior management.

The Nomination Committee should disclose its terms of reference publicly on the HKEXnews website of The Stock Exchange of Hong Kong Limited and the website of the Company, to explain its role and authority delegated by the Board.

## **Chapter 4 Decision-making Processes**

**Article 9** In accordance with the provisions of relevant laws and regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, the Nomination Committee shall study the selection criteria and procedures and the terms of office for the Directors and senior management of the Company, with reference to the Company's actual situation. Any resolution made in this regard shall be filed and submitted to the Board for approval and shall be implemented accordingly.

**Article 10** The selection procedures of Directors and senior management are as follows:

- (I) the Nomination Committee shall actively communicate with relevant departments of the Company and study the demand of the Company for new Directors and managers and form written materials;
- (II) the Nomination Committee may search extensively for candidates of Directors and senior management within the Company and its controlling (shareholding) enterprises and in the talent market;
- (III) gather information about the occupation, academic qualifications, position title, detailed work experience and all the part-time posts of the preliminary candidates and form written materials;
- (IV) unless consent from the nominees regarding the nomination is obtained, they shall not be considered as candidates for Directors or senior management;
- (V) convene meetings of the Nomination Committee to review the qualifications of the preliminary candidates in accordance with the job requirements for Directors and senior management;
- (VI) put forward recommendations and relevant materials to the Board about the candidates for Directors and the candidates for new senior management within one to two months prior to the election of new Directors and the appointment of new senior management;
- (VII) carry out other follow-up work according to the decision and feedback of the Board.

## **Chapter 5 Rules of Procedure**

**Article 11** The Nomination Committee meets at least once a year according to its actual needs. The meeting of the Nomination Committee may be convened upon the proposal of two or more members, or if the chairman deems it necessary. Notices of meetings shall be given to all Committee members at least 3 days before the date of such meetings. Under special circumstances, the Nomination Committee may convene a meeting at any time, provided that the notice is delivered to all members in a timely and effective manner. The meeting shall be presided over by the chairman, who may delegate the chairmanship to one of the other members (an Independent Director) in the event that he/she is unable to attend the meeting.

**Article 12** The meetings of the Nomination Committee shall be convened only with the presence of more than two-thirds of the members. Each member shall be entitled to one vote. Resolutions of a meeting must be adopted by the affirmative votes of more than half of all members. If a member is unable to attend the meeting for any reason, he/she may authorize another member in writing to attend on his/her behalf, which will be deemed as if he/she has attended the meeting.

**Article 13** The Nomination Committee shall vote by a show of hands or by a poll. Meetings may also be convened in the form of vote by communications, and subsequently confirmed by signatures.

**Article 14** Directors, other senior management of the Company may be invited to attend the meetings of the Nomination Committee if necessary.

**Article 15** If necessary, the Nomination Committee may engage an intermediary institution to provide professional advice on its decision at the Company's expense.

**Article 16** The procedures for convening a meeting, the way of voting and the resolutions passed at a meeting of the Nomination Committee shall comply with the provisions of the relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association and the Rules.

**Article 17** Minutes of the Nomination Committee meetings must be recorded and shall be signed by the attending members. The minutes shall be kept by the secretary of the Board. The minutes should detail the matters considered and the resolutions made, including any concerns or dissent expressed by Directors. The complete minutes of the Nomination Committee shall be kept by the duly appointed Committee secretary (usually the company secretary) and secretary of the Board. The draft minutes (for members to express opinions) and the final versions (for the record) should be sent to all Committee members within a reasonable time after the meeting. Directors may review the minutes with reasonable notice within a reasonable timeframe.

**Article 18** The proposals and voting results passed at the Nomination Committee meetings shall be submitted to the Board of the Company in writing.

**Article 19** All members attending the meeting are bound by confidentiality regarding the matters discussed and must not disclose any related information without authorization; otherwise, the relevant member shall bear all legal liabilities arising therefrom.

## **Chapter 6 Supplementary Provisions**

**Article 20** The Rules, after being resolved and approved by the Board, shall become effective and come into effect. Upon the implementation of the Rules, the original Implementing Rules for the Nomination Committee of the Company shall automatically become invalid.

**Article 21** Matters not covered in the Rules shall be implemented in accordance with the provisions of the relevant laws, regulations of the PRC, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association. In case of any conflict between the Rules and any future laws and regulations of the PRC, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association as amended by legal procedures, the relevant laws and regulations of the PRC, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association shall prevail, and the Rules shall be amended immediately and submitted to the Board for approval.

**Article 22** The right of interpretation of the Rules belongs to the Board. The "Independent Director" referred to in the Rules has the same meaning as "Independent Non-executive Director" under the Listing Rules of the Hong Kong Stock Exchange.

Board of Jiangsu Hengrui Pharmaceuticals Co., Ltd.