

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

## **江蘇恒瑞醫藥股份有限公司**

### **Terms of Reference of the Strategy Committee**

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

**Article 1** In order to accommodate the needs of the strategic development of Jiangsu Hengrui Pharmaceuticals Co., Ltd. (“the Company”), strengthen its core competitiveness, determine its development plans, improve its procedures for making investment decisions, enhance the scientific nature of its decision-making processes, strengthen the effectiveness and quality of major investment decisions, refine its corporate governance structure, upgrade its environmental, social and governance (“ESG”) capabilities and sustainability performance, 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 strategy committee (the “Strategy Committee” or “Committee”) under the board (the “Board”) of directors (the “Directors”) of the Company and formulated these terms of reference (the “Rules”).

**Article 2** The Strategy Committee of the Board is a special working body established by the Board in accordance with the resolutions of the shareholders. It is primarily responsible for conducting research and making recommendations on the Company’s long-term development strategy and major investment decisions, formulating the Company’s strategic development plans, supervising and inspecting the implementation of annual business plan and investment proposals, proposing and assessing the Company’s ESG strategies, vision and goals, and monitoring the implementation of the ESG policy.

#### **Chapter 2 Composition**

**Article 3** The Strategy Committee shall consist of three to seven Directors, including at least one Independent Director.

**Article 4** Members of the Strategy 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 Strategy Committee shall have a chairman (convener), who shall be a Director of the Company, responsible for convening the meetings and presiding over the work of the Committee.

**Article 6** The Strategy 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 consecutive terms if re-elected. During his/her term of office, if any member ceases to serve as a Director of the Company, 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.

**Article 7** The Strategy Committee shall have an investment review unit, which is led by the general manager of the Company.

### **Chapter 3 Duties and Authorities**

**Article 8** The main duties and authorities of the Strategy Committee are as follows:

- (I) researching and making recommendations on the Company's long-term development strategy plans;
- (II) researching and making recommendations on the major investment and financing proposals that must be approved by the Board as required by the Articles of Association;
- (III) researching and making recommendations on the major capital operation and asset operation projects that must be approved by the Board as required by the Articles of Association;
- (IV) researching and making recommendations on the Company's ESG strategies, vision and goals;
- (V) supervising and inspecting the Company's policy formulation, implementation management and information disclosure on ESG-related matters, and reporting to the Board, including but not limited to:
  - a) to be responsible for the supervision of business ethics issues, comprehensively supervising the implementation of anti-corruption and anti-bribery policies, and supervising the implementation of training to improve business ethics awareness of all employees;
  - b) to be responsible for the comprehensive supervision of the management of environmental issues, proposing and evaluating the Company's environmental strategy plans, environmental management objectives, and monitoring the implementation of environment-related policies;
  - c) to be responsible for the comprehensive supervision of the implementation of inclusive healthcare, urging all departments to promote inclusive healthcare in an orderly manner, and regularly reviewing the performance of supervisory duties over inclusive healthcare and the achievement of objectives, so as to ensure the effectiveness of inclusive healthcare management;
  - d) to be responsible for the management and supervision of employee diversity issues, reviewing the formulation of employee diversity policies and diversity goals, and supervising the implementation of policies and the progress of goal achievement;
- (VI) researching and making recommendations on other material matters affecting the development of the Company;
- (VII) conducting inspections for the implementation of the above;
- (VIII) other matters as authorized by the Board.

**Article 9** The Strategy Committee shall be accountable to the Board. The Committee shall submit its proposals to the Board for consideration and decision.

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

**Article 10** The investment review unit shall duly carry out preparation works before the decision-making of the Strategy Committee and provide information of the Company in relation to the following:

- (I) persons-in-charge of the relevant departments of the Company or its holding (or shareholding) enterprises shall submit information about the intention of major investment and financing, capital operation and asset operation projects, preliminary feasibility reports and the basic background of the partners;
- (II) the investment review unit shall carry out a preliminary review, sign and issue written opinion on the approval of the projects, which shall be submitted to the Strategy Committee for filing;
- (III) the relevant departments of the Company or its holding (or shareholding) enterprises shall discuss with external parties regarding any agreements, contracts, constitutional documents and feasibility reports, and shall report to the investment review unit;
- (IV) the investment review unit shall review, sign and issue a written opinion, and submit a formal proposal to the Strategy Committee.

**Article 11** The Strategy Committee shall convene meetings to discuss proposals submitted by the investment review unit, and shall submit the results of discussion to the Board and provide feedback of the same to the investment review unit.

## **Chapter 5 Rules of Procedure**

**Article 12** The Strategy Committee shall convene meetings every year as necessary, or when necessary at the proposal of two or more members or the chairman deems necessary. Notices for meetings shall be given to all Committee members at least 2 days before the date of such meetings. The meeting shall be presided over by the chairman, who may delegate the chairmanship to one of the other members in the event that he/she is unable to attend the meeting.

**Article 13** The meetings of the Strategy 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 one-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 14** The Strategy Committee shall vote by a show of hands or by a poll. Meetings may also be convened in the form of vote by communications.

**Article 15** According to the agenda and needs of the meeting, the Strategy Committee may convene other persons related to the topics of the meeting to introduce relevant situation or listen to relevant opinions at the meeting, and such persons shall not be absent without reasons.

**Article 16** If necessary, the Strategy Committee may engage an intermediary institution to provide professional advice on its decision-making at the Company's expense.

**Article 17** The procedures for convening a meeting, the way of voting and the resolutions passed at a meeting of the Strategy 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 18** Minutes of the Strategy Committee meetings must be recorded and shall be signed by the attending members. The minutes shall be kept by the secretary to the Board.

**Article 19** The proposals and voting results passed at the Strategy Committee meetings shall be submitted to the Board of the Company in writing.

**Article 20** All members attending the meeting are bound by confidentiality regarding the matters discussed and must not disclose any related information without authorization.

## **Chapter 6 Supplementary Provisions**

**Article 21** The Rules, after being resolved and approved by the Board, shall become effective and come into effect on the listing date of the H shares issued by the Company on The Stock Exchange of Hong Kong Limited. Upon the implementation of the Rules, the original Implementing Rules for the Strategy Committee of the Company shall automatically become invalid.

**Article 22** 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 23** The right of interpretation of the Rules belongs to the Board. The "Independent Director" referred to in the Rules has the same meaning ascribed to it under the Listing Rules of the Hong Kong Stock Exchange.

Board of Jiangsu Hengrui Pharmaceuticals Co., Ltd.