



Hansoh Pharmaceutical Group Company Limited

翰森製藥集團有限公司

(the “Company”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3692)

Terms of Reference of the Nomination Committee of the Board

(Adopted by the Company pursuant to the Board resolution passed on December 23, 2021)

1. Constitution

- 1.1 The board of directors of the Company (the “**Board**”) hereby constitutes and establishes the nomination committee of the Board (the “**Nomination Committee**”) with authority, responsibility, and specific duties as described below.
- 1.2 The purpose of the Nomination Committee is to identify, consider and recommend to the Board appropriate candidates to serve as directors, to oversee the process for evaluating the performance of the Board, and to develop and recommend to the Board nomination guidelines, which shall be consistent with any applicable laws, regulations and listing standards.

2. Membership

- 2.1 The members of the Nomination Committee shall be appointed by the Board and shall consist of no less than three (3) directors, a majority of whom shall be independent non-executive directors.
- 2.2 The quorum for a meeting of the Nomination Committee shall be two (2) members. A duly convened meeting of the Nomination Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Nomination Committee. Members of the Nomination Committee shall attend the meeting in person or through electronic communications of, including but not limited to, telephone or video conference.
- 2.3 The Board shall designate the chairman of the Board or an independent non-executive director as the chairman of the Nomination Committee (“**Chairman**”). The Chairman should attend the annual general meeting of the Company to answer shareholder questions on the Nomination Committee’s activities.

3. Secretary

The company secretary of the Company or his/her nominee shall be the secretary of the Nomination Committee.

4. Authority

- 4.1 The Nomination Committee is authorized by the Board to act within these terms of reference. The Nomination Committee is authorized to seek any information it requires from any employee of the Company, and all employees are directed to cooperate upon any request made by the Nomination Committee.
- 4.2 The Nomination Committee is authorized by the Board, at the Company's expense but subject to prior discussion with the Board on costs, to obtain external legal or other independent professional advice if it considers necessary. The Nomination Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external consultant who advises the Nomination Committee.

5. Duties

- 5.1 The duties of the Nomination Committee shall include:
- (a) assessing Board composition and diversity
 - (i) at least once annually assess and review the structure, size and composition (including the skills, experience, knowledge and diversity (including as to gender and ethnicity) required) of the Board and other factors which may be relevant to its effectiveness, and make recommendations to the Board with regard to its composition profile to complement the Company's corporate strategy;
 - (ii) draw up, review and update, as appropriate, the diversity policy for the Board's approval having due regard to the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) ("**Listing Rules**"), review and update the objectives that the Board has set for implementing such policy, and monitor the progress made;
 - (b) develop and maintain the nomination policy for the directorship of the Company, including the nomination procedures as well as the procedures and criteria adopted by the Nomination Committee to identify, select and recommend candidates for directorship during the year, review the nomination policy regularly and disclose such policy and the progress towards the goals of the policy as set out in the Company's corporate governance reports, review and discuss on any necessary amendments, and make recommendations to the Board for approval;
 - (c) making recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman of the Board and the chief executive;
 - (d) identifying individuals suitably qualified to become directors and selecting or making recommendations to the Board on the selection of individuals nominated for directorship;

- (e) assessing the independence of independent non-executive directors;
- (f) before appointments are made by the Board, evaluating the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation preparing a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Nomination Committee shall (where applicable and appropriate):
 - (i) use open advertising or the services of external advisers to facilitate the search;
 - (ii) consider candidates from a wide range of backgrounds; and
 - (iii) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
- (g) keep under review the leadership needs and leadership training and development programs of the Company and its subsidiaries (the “**Group**”), with a view to ensuring the continued ability of the Group to function effectively and compete in the marketplace;
- (h) assess the adequacy of time that a candidate nominated as a director (including independent non-executive directors) of the Company can devote for his/her directorship, considering factors including the number of other listed companies in which such candidate has a directorship and whether the director is spending enough time in fulfilling his/her duties; and
- (i) evaluate the needs for, and monitor the training and development of, directors.

5.2 The Nomination Committee shall also make recommendations to the Board concerning:

- (a) review and assess the skills, knowledge and experience required to serve on committees of the Board (“**Board Committees**”), and make recommendations on the appointment of members to Board Committees and a chairman for each committee;
- (b) recommend candidates to the Board to fill vacancies or new positions on the Board Committees as necessary or desirable;
- (c) review the feedback in respect of the role and effectiveness of the Board Committees arising from the evaluation of the Board and/or any Board Committee and make recommendations for any changes;
- (d) suitable candidates for the role of independent non-executive directors;
- (e) the re-election by shareholders of any director under the “retirement by rotation” provisions in Memorandum and Articles of Association of the Company having due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required;

- (f) any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provisions of the law and their service contract; and
- (g) the appointment of any director to executive or other office of the Company.

6. Reporting Procedures

- 6.1 The Nomination Committee shall report to the Board on a regular basis, and the Nomination Committee and/or the Chairman shall report the decisions and recommendations after each meeting of the Nomination Committee, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).

7. Notice of Meetings

- 7.1 A meeting of the Nomination Committee may be convened by any of its members through the company secretary of the Company.
- 7.2 The agenda and relevant documents for regular meetings should be sent to all members of the Nomination Committee in a timely manner and at least three (3) days before the date of the meeting (or such other period as the members may agree), and as far as practicable, all other meetings shall also adopt the above arrangement.

8. Frequency and Proceedings of Meetings

- 8.1 The Nomination Committee may hold meetings as and when necessary, but at least once annually or at such frequency as required under the Listing Rules or other regulatory requirements applicable to the Company from time to time.
- 8.2 The Chairman may convene additional meetings at his/her discretion.
- 8.3 The Chairman (or in his/her absence, a member designated by the Chairman) shall preside at all meetings of the Nomination Committee. The Chairman shall be responsible for leading the Nomination Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.
- 8.4 As necessary or desirable, the Chairman may request that members of management and/or members of the Board be present at the meeting of the Nomination Committee.

9. Minutes of Meetings

- 9.1 Minutes of Nomination Committee meetings should be kept by the secretary of the meeting duly appointed in accordance with these terms of reference and should be open for inspection at any reasonable time on reasonable notice by any director.
- 9.2 Minutes of Nomination Committee meetings shall record in sufficient details the matters considered by the Nomination Committee members and decisions reached, including any concerns raised by the Nomination Committee members and dissenting views expressed. Draft and final versions of minutes of meeting of the Nomination Committee shall be sent to all members of the Nomination Committee, respectively, in both cases within a reasonable time after the meeting.

10. General

- 10.1 These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements, including those under the Listing Rules.
- 10.2 The Nomination Committee should make available these terms of reference to the public, explaining its role and the authority delegated to it by the Board, by including them on the Hong Kong Exchanges and Clearing Limited news website (www.hkexnews.hk) and the Company's website (www.hspharm.com).

– End –

(Should there be any inconsistency between the English and the Chinese versions of these terms of reference, the English version shall prevail.)