

# Lepu Biopharma Co., Ltd.

## 樂普生物科技股份有限公司

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 2157)

### NOMINATION COMMITTEE UNDER THE BOARD OF DIRECTORS

#### TERMS OF REFERENCE

##### Chapter 1 General Provisions

- Article 1 In order to regulate the appointment of directors and senior management, optimize the composition of the board of directors and senior management, and improve the corporate governance structure of Lepu Biopharma Co., Ltd. (the “**Company**”), the Nomination Committee under the board of directors of Lepu Biopharma Co., Ltd. (the “**Committee**”) is established with these terms of reference (these “**Terms**”) in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), the articles of association of Lepu Biopharma Co., Ltd. (the “**Articles of Association**”) and other relevant laws, regulations and regulatory documents.
- Article 2 The Committee is a special committee under the board of directors and is mainly responsible for identifying candidates, formulating selection standards and procedures, and examining candidates for directors and senior management of the Company, and providing recommendations on the selection.
- Article 3 The reference to “directors” herein refers to all directors of the Company, while “senior management” refers to the general manager, deputy general manager, financial director and secretary to the board of directors, as well as other senior management as provided under the Articles of Association and other executives appointed by the board of directors.
- Article 4 The Committee shall be accountable for and report to the board of directors.
- Article 5 These Terms shall apply to the Committee and the persons and departments governed by these Terms.

##### Chapter 2 Composition of the Committee

- Article 6 The Committee shall consist of no less than three directors, with a majority of whom being independent non-executive directors. Members of the Committee shall be nominated by the chairman of the board of directors, no less than half of the independent directors or no less than one-third of all directors and appointed by the board of directors upon approval by more than half of the directors.

Article 7 Members of the Committee shall meet the following conditions:

- (1) not falling into the categories where a person shall not serve as a director, supervisor or senior management in accordance with the laws of the place of listing, the Company Law or the Articles of Association;
- (2) having not been publicly denounced or declared as an unsuitable candidate by a stock exchange including those in the place of listing of the Company within the last three years;
- (3) having not been subject to administrative penalty by the China Securities Regulatory Commission due to gross violation of laws and regulations within the last three years;
- (4) having high standards of ethical behavior and having expertise or working experience regarding business management, finance, law and other relevant fields; and
- (5) compliance with relevant laws of the place of listing, and other laws, regulations or other conditions stipulated in the Articles of Association.

The one who does not conform to the qualifications prescribed in the preceding article shall not be elected as a member of the Committee. A member of the Committee who does not conform to the qualifications prescribed in the preceding article during his/her term shall resign or be replaced by the board of directors.

Article 8 The Committee shall have a chairman who shall be either the chairman of the board of directors or an independent non-executive director. The chairman shall be nominated by the chairman of the board of directors and appointed upon approval of the board of directors.

Article 9 The term of office of the Committee shall be the same as that of the board of directors, and the term of office of a Committee member shall be the same as his/her term of office as a director. Committee members may be re-elected upon expiry of their terms of office. A member of the Committee shall, ipso facto, cease to be a member when he/she is no longer a director of the Company.

Article 10 A Committee member may tender his/her resignation to the board of directors during his/her term of office, in which he/she should explain the reasons for resignation and other matters which need to be brought to the attention of the board of directors. If the number of members would fall below the minimum number as provided herein, the resigning member should continue to perform his/her duties until the appointment of a new member to fill his/her place.

Article 11 The Committee members may be changed during their terms of office if proposed by the chairman of the board of directors and approved by the board of directors.

Article 12 If the number of the Committee members falls below the minimum number as provided herein, the board of directors shall make up the shortfall in accordance with these Terms.

Article 13 With the coordination of the office of the board of directors, the human resource department of the Company shall act as the executive body of the Committee to provide support and services and perform duties assigned by the Committee.

### **Chapter 3 Responsibilities of the Committee**

Article 14 The primary responsibilities of the Committee include:

- (1) to review the structure, size, composition and relevant qualifications (including skills, knowledge and experience) of the board of directors at least annually and make recommendations on any proposed changes to the board of directors to complement the issuer's corporate strategy;
- (2) to identify individuals suitably qualified to become board members (including whether the individuals can bring to the board of directors the perspectives, skills and experiences and how the individuals can contribute to the diversity of the board of directors) and make recommendation to the board of directors on the selection of individuals nominated for directorships;
- (3) to assess the independence of the independent non-executive directors of the Company;
- (4) to assess the number of directorship of other listed companies held by candidates to be nominated as the independent non-executive directors of the Company. If the candidate will be holding his/her seventh or more listed company directorship, the board of directors has to be satisfied that the candidate would still be able to devote sufficient time to the board of directors;
- (5) to develop and maintain a policy for the nomination of the directors which includes the nomination procedures and the process and criteria adopted by the Committee to identify, select and recommend candidates for directorship during the year, and to review periodically and disclose the policy and progress made towards achieving the objectives set in the nomination policy in the corporate governance report of the Company;
- (6) to develop and maintain a policy concerning diversity of the board of directors, and to review periodically and disclose the policy on diversity or a summary of the policy in the corporate governance report of the Company;
- (7) to review annually the time required to be devoted by the non-executive directors and independent non-executive directors. Performance evaluations should be used to assess whether the non-executive directors and independent non-executive directors are spending enough time in fulfilling their duties; and
- (8) to make recommendations to the board of directors on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman of the board of directors and the chief executive officer. The Committee shall make recommendations on appointment of directors with reference to the diversity policy of the Company and in accordance with the challenges and opportunities faced by the Company.

Article 15 Responsibilities of the chairman of the Committee include:

- (1) to convene and preside over meetings of the Committee;
- (2) to supervise and examine the performance and implementation of resolutions of the Committee;
- (3) to sign the relevant documents of the Committee;
- (4) to report work of the Committee to the board of directors; and
- (5) to perform other duties as required or delegated by the laws and regulations, the Hong Kong Listing Rules and other applicable regulatory rules of the place where the Company is listed, these Terms and the board of directors.

Article 16 Primary responsibilities of a Committee member include:

- (1) to attend meetings of the Committee punctually, and express opinions on the matters discussed thereon and exercise voting rights at the meetings;
- (2) to propose matters for discussion at the meetings of the Committee;
- (3) to sit in on or observe relevant meetings of the Company, to conduct studies and researches and to obtain reports, documents, materials and other relevant information necessary for the performance of his/her responsibilities;
- (4) to fully understand the responsibilities of the Committee as a whole and those as a member of the Committee, and acquaint himself/herself with the operation, management, business activities and development of the Company to ensure his/her capacity for the performance of responsibilities;
- (5) to guarantee that he/she has devoted sufficient time and attention to fulfil his/her responsibilities; and
- (6) to perform other duties as delegated by the laws and regulations, the Hong Kong Listing Rules and other applicable regulatory rules of the place where the Company is listed, these Terms and the board of directors.

#### **Chapter 4 Meetings of the Committee**

Article 17 Meetings of the Committee can be classified as regular meeting and extraordinary meeting.

Article 18 The Committee shall hold at least one regular meeting every year, and the notice of the meeting shall be served to all members three days before such meeting.

Article 19 The Committee may convene extraordinary meetings when necessary. In any of the following circumstances, the chairman of the Committee shall issue a notice to convene a meeting within three days:

- (1) in circumstances as deemed necessary by the board of directors;
- (2) in circumstances as deemed necessary by the chairman of the Committee; and
- (3) when proposed by two or more members of the Committee.

Article 20 The executive body of the Committee shall issue the notice of meeting in writing to each of the Committee members and relevant persons being invited to attend the meeting three days prior to the date of the meeting (except in special circumstances where the requirement of a prior notice is exempted, provided that the chairman of the meeting shall provide explanation at the meeting). The notice of meeting shall contain information on the form, time, venue, duration and agenda of the meeting, time of issuance of the notice, name and contact information of the contact person of the meeting and other relevant information.

Article 21 Upon receipt of the notice, all Committee members shall promptly provide confirmation and relevant replies (including but not limited to the confirmation of attendance and other arrangement) via a proper means.

Article 22 The quorum of a Committee meeting shall be all members.

Article 23 All members of the Committee shall attend the meeting in person. If a member is unable to attend the meeting in person, such member shall, by signing and submitting a letter of proxy, authorize another member of the Committee to attend and express opinion at the meeting on his/her behalf. Such letter of proxy shall expressly state the scope and term of the authorization. Each member may appoint only one other member as his/her proxy to exercise the voting right on his/her behalf. Where a member authorizes two or more other members to exercise the voting right on his/her behalf, such authorization shall be invalid. In addition, no member shall accept any such authorization from two or more other members concurrently.

The member attending a meeting on behalf of another member shall exercise the rights within the scope of authorization. If a member does not attend a meeting in person or authorize another member to exercise the rights on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting, he/she shall be deemed to have waived his/her rights.

A member who is unable to attend a meeting in person may also exercise his/her rights by submitting in writing his/her opinion with respect to any matter on the meeting agenda, provided that such written opinion shall be submitted to the executive body of the Committee before the meeting.

Article 24 If a member does not attend a meeting in person or authorize another member to attend such meeting on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting on two consecutive occasions, or if such member fails to attend in person 3/4 of all meetings of the Committee held during any year, such member shall be deemed incapable of performing the duties of the Committee, and the board of directors may replace him/her in accordance with these Terms.

Article 25 Meetings of the Committee shall be presided over by the chairman of the Committee, who may appoint another member to act on his/her behalf when he/she is unable to attend the meeting. If the chairman of the Committee neither performs his/her duties nor designates another member to act on his/her behalf, any member may report the same to the board of directors, and the board of directors shall appoint another member who is an independent non-executive director to fulfil the duties of the chairman.

## **Chapter 5 Rules of Procedure**

Article 26 Each member of the Committee shall have one vote. A resolution of the meeting shall be passed by a simple majority of the votes of all members. In the event that the meeting fails to reach a valid resolution due to abstention of any member, relevant matter shall be considered directly by the board of directors.

Article 27 Meetings of the Committee shall be held in the form of on-site meetings in general, and voting shall be conducted by a show of hands or by poll. Under special circumstances, on the premise that the members of the Committee are able to sufficiently express their opinions, with the consent of the chairman of the Committee, meetings may be held by means of correspondence. Where a meeting is conducted by means of correspondence, the Committee members shall submit to the board of directors their written opinions with respect to the matters to be discussed within the period prescribed by the notice of the meeting.

Article 28 All items on the agenda shall be discussed during the meeting of the Committee, and the Committee members shall explicitly, independently and fully express their opinions based on their own judgment. In the case of any different opinions, such different opinions shall be stated in the meeting minutes to be presented to the board of directors.

Article 29 The Committee may invite directors, related senior management members and relevant experts of the Company, external experts, scholars, intermediary agencies and other persons to sit in on a meeting. Such persons being invited shall give explanation and elaboration on any issues as required by any Committee member.

Article 30 Where necessary, the Committee may, upon approval by the board of directors, seek for professional advices of external professional personnel or organizations. Any reasonable cost so incurred shall be borne by the Company.

Article 31 The convening procedures, voting methods and resolutions of meetings of the Committee shall comply with the relevant laws, regulations, the Articles of Association and these Terms.

Article 32 If a member of the Committee is interested in any matter being considered by the Committee, such member shall abstain from the discussion and voting of such matter.

Article 33 All persons attending the Committee meetings shall keep all matters discussed at the meetings confidential and shall not disclose any such information without authorization.

## **Chapter 6 Minutes and Summary of the Committee Meetings**

Article 34 Minutes shall be kept for all meetings of the Committee, which shall be prepared by the executive body of the Committee and shall contain the following information:

- (1) serial number, form, date, venue and name of the chairman of the meeting;
- (2) attendance of members in person or by proxy and absence of members;
- (3) name and title of each attendee;
- (4) agenda of the meeting;
- (5) main points made by the Committee members and other relevant attendees;
- (6) name of the person taking minutes; and
- (7) abstention of any interested member (if any), which shall be specified in the minutes or relevant resolutions.

All Committee members present at the meeting shall sign the minutes.

Article 35 After each meeting of the Committee, the executive body of the Committee shall prepare a meeting summary recording the considerations and discussions of the meeting.

Copies of the meeting summary shall be submitted to the board of directors of the Company and sent to all Committee members, secretary to the board of directors, the human resources department of the Company and other relevant departments and persons.

Article 36 Meeting minutes, meeting summary, letters of proxy, written opinions of the members of the Committee and other materials of the meeting shall be kept by the office of the board of directors in accordance with relevant requirements.

## **Chapter 7 Supplementary Provisions**

- Article 37 Unless otherwise stated, terms used herein shall have the same meanings ascribed to them in the Articles of Association.
- Article 38 For any matter not covered in these Terms, or in the event of any contradiction with any laws, administrative regulations, normative documents, relevant regulatory requirements of the listing place(s) of the Company (such as the Hong Kong Listing Rules) or the Articles of Association as amended under lawful procedures promulgated after these Terms become effective, such laws, administrative regulations and normative documents, relevant regulatory requirements of the listing place(s) of the Company (such as the Hong Kong Listing Rules) and the Articles of Association shall prevail. Amendments to these Terms shall be made forthwith and submitted to the board of directors for approval.
- Article 39 These Terms have been considered and approved by the board of directors and shall become effective and applicable from the date on which the shares of the Company are first issued and listed in Hong Kong.
- Article 40 The right of interpretation and amendment of these Terms shall be vested in the board of directors of the Company.
- Article 41 These Terms are available in both Chinese and English. In case of discrepancy, the Chinese version shall prevail.

**Lepu Biopharma Co., Ltd.**  
Board of Directors