

Sinopharm Group Co., Ltd.

Terms of Reference and Rules of Procedure of Nomination Committee under the board of directors

Chapter 1 General Provisions

- Article 1 In order to regulate the election of directors of Sinopharm Group Co., Ltd. (hereinafter referred to as the “Company”), optimize the composition of the board of directors, and improve the structure of corporate governance, the Company has established the Nomination Committee under the board of directors and formulated the Rules of Procedure in accordance with the Company Law of the People’s Republic of China (hereinafter as the “Company Law”), these Articles and the relevant provisions with reference to the Code of Corporate Governance for Listed Companies promulgated by China Securities Regulatory Commission. Upon listing of the shares issued by the Company on the Main Board of the Stock Exchange of Hong Kong Limited, the Rules of Procedures shall comply with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited as amended from time to time (hereinafter referred to as the “Listing Rules”), other applicable laws and regulations of the Hong Kong Special Administrative Region of the People’s Republic of China. In case of any inconsistencies, contraventions or conflicts arising between any applicable laws, regulations, these Articles, the Listing Rules and the Rules of Procedure, the severest provisions shall prevail under the principle of severity.
- Article 2 The Nomination Committee is a special committee established under the board of directors, mainly responsible for the election of directors of the Company, election criteria and procedures and making recommendations, and is accountable to the board of directors.
- Article 3 The senior management referred in the Rules of Procedures shall refer to the general manager, deputy general manager, secretary to the board of directors, joint secretaries of the Company and financial director engaged by the board of directors and other senior management recognized by the board of directors.

Chapter 2 Composition

Article 4 The Nomination Committee shall comprise at least three directors, the majority of which are independent non-executive directors.

Article 5 Members of the Nomination Committee shall be nominated by the chairman, more than one-half of the independent non-executive directors or more than one-thirds of all directors and subject to election by the board of directors.

Article 6 The Nomination Committee shall have one chairman to be acted by the chairman of the board of directors or an independent non-executive director upon election, responsible for presiding over the work of the Nomination Committee.

Article 7 The members shall have the same term of office as the directors. Upon expiry of their term, members may be re-elected.

No members may be removed from office without cause prior to the expiry of term of office save as the occurrence of circumstances that requires dismissal as stipulated in the Company Law, these Articles or the Listing Rules.

During which if members no longer act as directors of the Company, they shall automatically lose their office as members and the board of directors shall fill the vacancy in accordance with the provisions under Article 4 to Article 6 above.

Article 8 The committee shall have a secretary to be acted by the company secretary or such person as approved after discussion of the board of directors.

Chapter 3 Duties and powers

Article 9 The Nomination Committee shall:

- (a) review the structure, size and composition of the board of directors (including skills, knowledge, experience and diversity) at least annually; and make recommendations on any proposed changes to the board of directors to implement the Company's corporate strategy;
- (b) identify individuals suitably qualified for election as directors, select or make recommendations to the board of directors on the selection of individuals nominated for directorships, in identifying suitable candidates, the Nomination Committee shall give adequate consideration to the diversity of board members;
- (c) assess the independence of independent non-executive directors;

- (d) make recommendations to the board of directors on the appointment or re-appointment of directors and succession planning of directors, in particular the chairman and general manager;
- (e) assess the work progress of directors and give advice or make recommendations (if applicable) on change of directors based on the results of assessment;
- (f) formulate, implement and review from time to time the policy concerning diversity of board members; and
- (g) other matters authorized by the board of directors.

Article 10 The Nomination Committee shall be provided with sufficient resources to enable it to perform its functions.

Article 11 Upon consideration of such matters by the Nomination Committee under the provisions of Article 9, resolutions shall be proposed and submitted to the board of directors of the Company together with the relevant resolutions and voting results of the meeting.

Chapter 4 Rules and procedures of meeting

Article 12 Meetings of the Nomination Committee shall include regular meetings and interim meetings. Regular meetings shall be held at least annually, whereas the convening of interim meetings shall be proposed by more than two members. The board of directors of the Company shall give at least seven days' notice to all members prior to the meeting, provided that such notice period may be waived with the unanimous consent of all members. The meeting shall be chaired by the chairman and the chairman, if unable to attend, may appoint another member to act on his behalf.

Article 13 Meetings of the Nomination Committee shall be held by more than two-thirds of the members attending the meeting. Each member shall have one voting right. Resolutions proposed at the meeting shall be passed by more than one-half of all members. In the case of an equality of votes, the chairman shall be entitled to one casting vote.

Article 14 Members of the Nomination Committee who have appointed a proxy to attend and vote on his behalf shall submit the instrument of proxy to the chairman of the meeting. The latest time for submitting the instrument of proxy to the chairman of the meeting shall be prior to voting at the meeting.

Article 15 The Nomination Committee may vote on a show of hands or on a poll at the meetings. The meetings may be held in the form of physical meetings or written communications over the resolutions.

- Article 16 The Nomination Committee may invite directors, supervisors, senior management and such persons of relevant departments of the Company to sit in on the meetings if it considers necessary.
- Article 17 The Nomination Committee may engage intermediaries to provide professional advice for its decision-making if necessary and the reasonable expenses arising therefrom shall be borne by the Company.
- Article 18 The procedures for convening the meeting, means of voting and resolutions passed at the meeting of the Nomination Committee shall comply with the relevant laws, regulations, these Articles and the provisions herein.
- Article 19 The Nomination Committee shall maintain minutes of the meeting where members attending the meeting shall sign on the minutes. The minutes shall be maintained by the secretary to the Nomination Committee.
- Article 20 Members attending the meeting shall keep confidential of all matters discussed at the meeting. Save as otherwise provided by the laws, regulations and/or regulatory authorities, unauthorized disclosure of the relevant information shall be prohibited.

Chapter 5 Supplementary provisions

- Article 21 The Rules of Procedure shall not exclude any nomination of directors by the chairman, shareholders representing more than one-tenths of the voting rights and more than one-thirds of the directors pursuant to the Company Law and these Articles.
- Article 22 The Rules of Procedure shall be formulated by the board of directors of the Company and take effect immediately upon obtaining the approval from the board of directors of the Company.
- Article 23 The right to amendment and interpretation of the Rules of Procedure shall be vested in the board of directors of the Company.