

# **Jiangxi Institute of Biological Products Inc.**

## **Terms of Reference of Nomination Committee Under the Board of Directors**

### **CHAPTER I GENERAL PROVISIONS**

**Article 1** In order to regulate appointment of Directors and senior management members, optimize the composition of the Board of Directors and senior management members, and improve the corporate governance structure of Jiangxi Institute of Biological Products Inc. (hereinafter referred to as the “**Company**”), the Nomination Committee under the Board of Directors of the Company is established with the Terms of Reference of Nomination Committee under the Board of Directors of Jiangxi Institute of Biological Products Inc. (hereinafter referred to as these “**Terms of Reference**”) in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the **Company Law**) and other relevant laws, administrative regulations, normative documents and regulatory rules of the place where the Company’s shares are listed (including the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited) (hereinafter referred to as the “**Hong Kong Listing Rules**”) and the Articles of Association of Jiangxi Institute of Biological Products Inc. (hereinafter referred to as the “**Articles of Association**”).

**Article 2** The Nomination Committee under the Board of Directors is a special committee established by the Board of Directors in accordance with the resolutions of the Board of Directors, and is mainly responsible for assessing and making suggestions on the selection, selection criteria and procedures of the Company’s Directors (including independent non-executive Directors, the same below) and senior management members. The Nomination Committee shall report its decisions or recommendations to the Board of Directors unless the Nomination Committee is restricted by national laws, regulations or regulatory restrictions.

### **CHAPTER II COMPOSITION**

**Article 3** The Nomination Committee shall comprise at least three Directors, of whom independent non-executive Directors should constitute a majority. The Nomination Committee shall appoint at least one member of a different gender.

**Article 4** Members of the Nomination Committee (hereinafter referred to as “**members**”) shall be nominated by the chairperson of the Board of Directors, more than 1/2 of the independent non-executive Directors or 1/3 of all Directors and shall be appointed through election with a majority vote by the Board of Directors.

**Article 5** The Nomination Committee shall have one chairman (convener), who shall be the chairperson of the Board of Directors or an independent non-executive Director, and shall be responsible for presiding over the work of the committee; The chairman (convener) shall be elected from its members and the appointment needs to be reported to the Board of Directors for approval.

**Article 6** The Nomination Committee shall have a term of office consistent with that of the Board of Directors. The term of office of a member is renewable by re-election upon expiry. If a member no longer assumes the position of a Director in the Company, or a member who should have the status of an independent non-executive Director ceases to meet the independence requirements of the Articles of Association and the regulatory rules of the place where the Company's shares are listed (including the Hong Kong Listing Rules), he/she shall automatically lose his/her status as a member. The Board of Directors shall fill the vacancy in accordance with the provisions of the Terms of Reference.

### **CHAPTER III RESPONSIBILITIES AND AUTHORITIES**

**Article 7** The main duties and authorities of the Nomination Committee include:

- (I) To review the structure, number of members and composition of the Board of Directors (including skills, knowledge and experience) at least annually, assist the Board of Directors in preparing a Board of Directors skills matrix and make suggestions on any changes to be made on the Board of Directors in line with corporate strategies;
- (II) To make recommendations to the Board of Directors on the size and composition of the Board of Directors based on the Company's operating activities, asset size and shareholding structure;
- (III) To review the criteria and procedures for selection of Directors and senior management members and make recommendations to the Board of Directors;
- (IV) To identify individuals suitably qualified to become Directors and select or make recommendations to the Board of Directors on the selection of individuals nominated for directorship;
- (V) To extensively search for qualified candidates for Directors and senior management members, review and make recommendations on candidates for Directors and senior management members;
- (VI) To assess the independence of independent non-executive Directors;
- (VII) To make recommendations on the appointment or re-appointment of Directors as well as the succession plan of Directors (particularly the chairperson of the Board of Directors and chief executive officer) to the Board of Directors;
- (VIII) To support the Company to regularly evaluate the performance of the Board of Directors; and
- (IX) Other matters stipulated by laws, administrative regulations, regulatory rules of the place where the Company's shares are listed (including the Hong Kong Listing Rules) and the Articles of Association.

If the Board of Directors does not adopt or does not fully adopt the recommendations of the Nomination Committee, it shall record the opinions of the Nomination Committee and the specific reasons for the failure to adopt them in the resolutions of the Board of Directors.

**Article 8** The Nomination Committee shall be accountable to the Board of Directors. The proposals of the Nomination Committee shall be submitted to the Board of Directors for consideration and decision.

**Article 9** The Company shall provide the Nomination Committee sufficient resources to perform its duties. Where necessary, the Nomination Committee should seek independent professional advice, at the Company's expense, to perform its duties.

#### **CHAPTER IV DECISION-MAKING PROCEDURES**

**Article 10** According to provisions of relevant laws, administrative regulations, departmental rules, normative documents, regulatory rules of the place where the Company's shares are listed (including the Hong Kong Listing Rules) and the Articles of Association, and subject to the Company's actual situation, the Committee shall review criteria and procedures for selection and terms of office of the Company's Directors and senior management members. Any resolution formed in this regard shall be submitted to the Board of Directors for consideration and approval, and shall be implemented accordingly.

**Article 11** The procedures for the Nomination Committee to nominate candidates for Directors and senior management members are as follows:

- (I) To actively communicate with relevant departments of the Company to study their demand for new Directors and senior management members within the Company and to come up with written materials;
- (II) To extensively look for candidates for the Directors and senior management members within the Company, holding (shareholding) enterprises and in the recruitment market;
- (III) To collect information on the preliminarily proposed candidates, including their profession, education background, job title, detailed work experience and all the part-time positions, etc., and to come up with written materials;
- (IV) To obtain consent of the proposed candidates for their nomination, or otherwise the candidates shall not be nominated for Directors or senior management members;
- (V) To convene a meeting of the Nomination Committee to examine qualifications of the preliminarily proposed candidates according to the job requirements for Directors and senior management members;

- (VI) To propose proposals and relevant materials for the selection of Directors and new senior management members to the Board of Directors within a reasonable time before the election of new Directors and the appointment of new senior management members;
- (VII) To undertake other subsequent work according to the decision and feedback of the Board of Directors.

## **CHAPTER V RULES OF PROCEDURE**

**Article 12** The Nomination Committee shall convene meetings at least once a year as required for its work. When any of the following circumstances occurs, the Nomination Committee shall notify all committee members at least 3 days before the meeting, and the chairman (convener) will preside over the meeting. If the chairman (convener) is unable to attend, he/she may appoint another member (independent non-executive Director) to preside over the meeting:

- (I) in circumstances as deemed necessary by the Board of Directors;
- (II) in circumstances as deemed necessary by the chairman of the Nomination Committee;
- (III) when proposed by two or more members.

**Article 13** Meetings of the Nomination Committee shall be held only with the presence of more than two thirds of its 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 its members.

**Article 14** As for meetings of the Nomination Committee, votes shall be made by show of hands. Extraordinary meetings can also be held by means of communication voting on the premise of ensuring that members fully express their opinions. Signatures are required for confirmation after voting.

**Article 15** The Company's Directors, other senior management members and external consultants may be invited to attend meetings of the Nomination Committee as observers, if necessary. Attendees may provide explanations or clarifications on the matters discussed at the meeting, but have no right to vote if he/she is not a member of the Nomination Committee.

**Article 16** If necessary, the Nomination Committee may engage an intermediary institution to form a professional opinion as its reference in making decision. The cost shall be borne by the Company.

**Article 17** The convening procedures, voting methods and proposals passed at the meeting of the Nomination Committee must comply with the national laws and regulations, the regulatory rules of the place where the Company's shares are listed (including the Hong Kong Listing Rules), the Articles of Association and the Terms of Reference.

**Article 18** The Nomination Committee shall keep minutes or memorandum of its meetings, which shall be signed by the members present at the meeting and minute taker. Meeting minutes should record in detail the matters considered and resolutions, including concerns or dissents raised by Directors. Complete minutes of the Nomination Committee meetings should be kept by Board secretary. The first draft (for members to express opinions) and the final version (for record) of the meeting minutes should be sent to all its members within a reasonable period of time after the meeting. Directors of the Company may inspect minutes of meetings at reasonable times on reasonable notice. The minutes of meetings shall be kept for a retention period of at least 10 years.

**Article 19** Any resolution passed or the results of a poll taken at a meeting of the Nomination Committee shall be reported to the Board of Directors of the Company in writing.

**Article 20** All members attending meetings shall be obliged to keep all matters discussed at the meetings confidential and shall not disclose any relevant information without authorization.

**Article 21** When a member of the Nomination Committee or an attendee has a direct or indirect interest in the issues discussed at the meeting, the member or attendee shall abstain from voting.

## **CHAPTER VI SUPPLEMENTARY PROVISIONS**

**Article 22** The requirements of the Company Law, the regulatory rules of the place where the shares of the Company are listed (including the Hong Kong Listing Rules) and the Articles of Association relating to obligations of Directors are applicable to the members of the Nomination Committee.

**Article 23** In the Terms of Reference, "more than" includes the figures listed; "no less than" excludes the figures listed.

**Article 24** Matters not covered in the Terms of Reference shall be implemented in accordance with the requirements of relevant national laws, regulations, normative documents, the regulatory rules of the place where the Company's share are listed (including the Hong Kong Listing Rules) and the Articles of Association. In case of any conflict between the Terms of Reference and any future laws and regulations of the PRC, normative documents, the regulatory rules of the place where the Company's share are listed (including the Hong Kong Listing Rules) and the Articles of Association as amended by legal procedures, the requirements of relevant national laws and regulations, normative documents, the regulatory rules of the place where the Company's share are listed (including the Hong Kong Listing Rules) and the Articles of Association shall prevail. The Board of Directors shall promptly amend accordingly.

**Article 25** The right to interpret the Terms of Reference shall be vested in the Board of Directors.

**Article 26** The Terms of Reference have been reviewed and approved by the Board of Directors, and will be effective and implemented on the date of the Company's initial public offering of H shares and listing on the main board of The Stock Exchange of Hong Kong Limited.

Jiangxi Institute of Biological Products Inc.