

# LEPU SCIENTECH MEDICAL TECHNOLOGY (SHANGHAI) CO., LTD.\*

## 樂普心泰醫療科技(上海)股份有限公司

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2291)**

### TERMS OF REFERENCE

### OF THE NOMINATION COMMITTEE

#### Chapter 1 General Provisions

- Clause 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 ScienTech Medical Technology (Shanghai) Co., Ltd.\* (the “**Company**”), the Nomination Committee under the board of directors (the “**Board**”) of the Company (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 ScienTech Medical Technology (Shanghai) Co., Ltd.\* (the “**Articles**”) and other relevant laws, regulations and regulatory documents.
- Clause 2 The Committee is a specific committee under the Board and is mainly responsible for formulating standards and procedures for identifying and selecting candidates for directors and senior management of the Company, assessing their performance and providing recommendations.
- Clause 3 The reference of “directors” herein refers to all directors of the Company, while “senior management” refers to the general manager, deputy general manager, person-in-charge of finance, secretary of the Board, as well as other senior management as provided under the Articles.
- Clause 4 The Committee shall be accountable for and report to the Board.
- Clause 5 These Terms shall apply to the Committee and the persons and departments governed by these Terms.

## Chapter 2 Composition of the Committee

- Clause 6 The Committee shall consist of no less than three directors, with a majority of whom being independent non-executive directors.
- Clause 7 Members of the Committee shall be nominated by the chairman of the Board, more than one-second of the independent directors or more than one-third of all directors and appointed by the Board upon approval by more than half of the directors.
- Clause 8 The Committee shall have a chairman who shall be either the chairman of the Board or an independent non-executive director. The chairman shall be nominated by the chairman of the Board and appointed upon approval of the Board.
- Clause 9 The term of office of the Committee shall be the same as that of the Board, 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. If any member ceases to be a director of the Company or any member who is an independent non-executive director no longer meets relevant independence requirements as set out in the Hong Kong Listing Rules during his/her term of office, his/her membership in the Committee shall lapse automatically, and the vacancy shall be filled up by the person elected by the Board in accordance with these Terms.
- Clause 10 A Committee member may tender his/her resignation to the Board during his/her term of office by giving a resignation to explain the reason for resignation and other matters which need to be brought to the attention of the Board. If the number of members will fall below the minimum number as provided herein, the resigning member shall continue to perform his/her duties until the appointment of a new member to fill his/her place.
- Clause 11 The Committee members may be changed during their terms of office if such change is proposed by the chairman of the Board and approved by the Board after discussion.
- Clause 12 Where the composition of members of the Committee fails to satisfy the requirements specified in these Terms, the Board shall, according to the Hong Kong Listing Rules, promptly state relevant details and reasons by announcement, and fill the vacancy according to these Terms within three months from the date on which the relevant requirements fail to be satisfied. The term of office for the new member shall terminate at the end of his/her term of office as a director.
- Clause 13 With the coordination of the office of the Board, 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

Clause 14 The primary responsibilities of the Committee include:

- (1) to review the structure, size, composition and relevant qualifications (including skills, knowledge, expertise and experience) of the Board at least once annually, make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (2) to identify individuals suitably qualified to become members of the Board (including whether the individuals can bring to the Board the perspectives, skills and experiences and how the individuals can contribute to the diversity of the Board) and make recommendation to the Board 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 directorships 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 has to be satisfied that the candidate would still be able to devote sufficient time to the Board;
- (5) to develop and maintain a policy for the nomination of the directors which includes the nomination procedures and the procedures 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 the diversity of the Board, and to review periodically and disclose in the diversity policy or a summary of the policy in the corporate governance report of the Company;
- (7) to review annually the time required from 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;
- (8) to make 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 officer. The Committee shall make recommendations on appointment of directors with due regard to the diversity policy of the Company and in accordance with the challenges and opportunities for the Company; and

- (9) where the Board proposes to put forward a resolution to elect an individual as an independent non-executive director at the general meeting, it shall set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting the following details: (i) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent; (ii) if the proposed independent non-executive director will be holding his/her seventh (or more) listed company directorship, the reasons why the Board believes the individual would still be able to devote sufficient time to the Board; (iii) the views, perspectives, skills and experience that the individual can bring to the Board; and (iv) how the individual contributes to the diversity of the Board.

Clause 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 the resolutions of the Committee;
- (3) to sign the relevant documents of the Committee;
- (4) to report the work of the Committee to the Board of the Company;
- (5) to attend the Company's annual general meeting and answer shareholders' questions about the Committee's duties. If the chairman of the Committee is unable to attend the annual general meeting, any other member or appropriately appointed representative shall attend the meeting on his/her behalf;
- (6) to perform other duties as required or delegated by the laws and regulations, listing rules of the place(s) where the securities of the Company are listed (such as the Hong Kong Listing Rules), these Terms and the Board.

Clause 16 Primary responsibilities of a Committee member include:

- (1) to attend meetings of the Nomination Committee punctually, and express opinions on the matters discussed thereon and exercise voting rights at the meetings;
- (2) to propose an agenda 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 by obtaining reports, documents, materials and other relevant information necessary for the performance of his/her responsibilities;
- (4) to fully understand the responsibilities of the Committee and his/her role as a member of the Committee, and acquaint himself/herself with the operation and 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;
- (6) to perform other duties as delegated by the laws and regulations, listing rules of the place(s) where the securities of the Company are listed (such as the Hong Kong Listing Rules), these Terms and the Board.

#### **Chapter 4 Working Procedures**

Clause 17 The selection procedures of directors and senior management are:

- (1) the Committee shall actively communicate with the relevant departments of the Company to study the demand of the Company for new directors and senior management and to formulate written materials thereof;
- (2) the Committee may extensively identify candidates for directors and senior management within the Company and its controlling (investee) enterprises as well as in the labor market;
- (3) the Committee shall gather information about the occupation, education background, job title, detailed information in relation to the work experience and all the part-time positions of the preliminary proposed candidates, and formulate written materials thereon;
- (4) the nominee shall not be deemed as the candidate for director or senior management unless his/her consent for nomination is obtained;
- (5) the Committee shall convene a Committee meeting to conduct qualification review on the candidates in accordance with the requirements for directors and senior management;
- (6) the Committee shall submit to the Board its proposals and relevant information on the candidates for the new directors and senior management prior to the election of new directors and appointment of new senior management; and
- (7) the Committee shall carry out other follow-up work according to the decision and feedback from the Board.

#### **Chapter 5 Meetings of the Committee**

Clause 18 Meetings of the Committee can be classified as regular meetings and extraordinary meetings.

Clause 19 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 prior to such meeting.

Clause 20 The Committee may convene extraordinary meetings when necessary. The chairman of the Committee shall issue a notice to convene a meeting within three days from the date of actual occurrence of any of the following circumstances:

- (1) where the Board deems it necessary;
- (2) where the chairman of the Committee deems it necessary;
- (3) where it is proposed by more than two members of the Committee.

Clause 21 The executive body of the Committee shall issue the notice of the 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 the 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.

Clause 22 Upon receipt of the notice of the meeting, 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.

Clause 23 The quorum of a Committee meeting shall be the presence of more than two-thirds of the members.

Clause 24 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 for each meeting. 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 of the Committee 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 his/her opinion in writing 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 convening of the meeting at the latest.

Clause 25 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 may replace him/her in accordance with these Terms.

Clause 26 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 the Company, and the Board shall appoint another member who is an independent non-executive director to fulfil the duties of the chairman of the Committee.

### **Chapter 6 Procedures of Meetings**

Clause 27 Each member of the Committee shall have one vote. A resolution of the meeting shall be passed by more than half of the votes of all members. In the event that the meeting fails to reach a valid resolution due to abstention of any member, the relevant matter shall be considered directly by the Board.

Clause 28 Meetings of the Committee shall be convened by way of on-site meeting, video conference or teleconference in principle. Should an on-site meeting, video conference or teleconference be unable to be held in case of emergency, force majeure or other special reasons, such meeting can be held by means of written communication. Where a meeting is conducted by means of written communication, the Committee members shall submit to the Board their written opinions with respect to the matters to be discussed within the period prescribed by the notice of the meeting.

Clause 29 Voting at the meetings of the Committee shall be conducted by a show of hands or by poll. Where any member cannot sign the resolutions made at a telephone meeting or video meeting in real time, the said member may orally give opinions first and responsively affix the written signature thereof as soon as possible, provided that there is no discrepancy between the opinions expressed by such member subsequently in signing the written resolutions and the opinions orally expressed by him/her at the meeting.

Clause 30 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.

Clause 31 The Committee may invite directors, related senior management members and relevant experts of the Company, external experts, scholars, intermediary agencies and relevant 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.

Clause 32 Where it deems necessary, the Committee may, upon approval by the Board, seek for professional advice of external professional personnel or organizations. Any reasonable cost so incurred shall be borne by the Company.

Clause 33 The convening procedures, voting methods and resolutions of meetings of the Committee shall comply with the relevant laws, regulations, the Articles and these Terms.

Clause 34 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.

Clause 35 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 7 Minutes and Summary of the Committee Meetings**

Clause 36 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 and absence of members in person and by proxy;
- (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;
- (7) abstention of any interested member (if any), which shall be specified in the minutes or the relevant resolutions.

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

Clause 37 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 the Company and sent to all Committee members, secretary to the Board, the human resources department of the Company and other relevant departments and persons.

Clause 38 Meeting minutes, meeting summary, letters of proxy, written opinions of the members of the Committee and other materials of the meeting of the Committee shall be kept by the office of the Board in accordance with the relevant requirements.



## Chapter 8 Supplementary Provisions

- Clause 39 Unless otherwise stated, terms used herein shall have the same meanings ascribed to them in the Articles.
- Clause 40 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 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 shall prevail. Amendments to these Terms shall be made forthwith and submitted to the Board for approval.
- Clause 41 These Terms have been considered and approved by the Board and shall become effective and applicable from the date on which the shares of the Company are first issued and listed in Hong Kong.
- Clause 42 The rights of interpretation and amendment of these Terms shall be vested in the Board of the Company.
- Clause 43 These Terms are available in both Chinese and English. In case of any discrepancy, the Chinese version shall prevail.

**LEPU ScienTech Medical Technology (Shanghai) Co., Ltd.\***  
Board of Directors

\* *The Company is a registered non-Hong Kong company as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and it is registered under its Chinese name and under the English name "LEPU ScienTech Medical Technology (Shanghai) Co., Ltd."*

\* *For identification purposes only*