

**Consun Pharmaceutical Group Limited**  
**(康臣藥業集團有限公司)**

(股份代號 Stock code : 1681)

**Terms of reference of**  
**the Nomination Committee of the Board of Directors**

**(Effective as from 20 March 2019)**

**Consun Pharmaceutical Group Limited**  
**(康臣藥業集團有限公司)**  
**(“Company”)**

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**Terms of reference of the Nomination Committee (“Committee”)**  
**of the Board of Directors (“Board”) of the Company**

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**1. Constitution**

1.1 The Committee is established pursuant to a resolution passed by the Board at its meeting held on 2 December 2013.

**2. Membership**

2.1 Members of the Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members and a majority of whom shall be independent non-executive directors.

2.2 The chairman of the Committee shall be appointed by the Board and shall be chairman of the Board or an independent non-executive director.

2.3 The company secretary of the Company shall be the secretary of the Committee.

2.4 The appointment of the members and secretary of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee.

**3. Proceedings of the Committee**

**3.1 Notice:**

(a) Unless otherwise agreed by all the Committee members, a meeting shall be called by at least seven days’ notice.

(b) A Committee member may and, on the request of a Committee member, the secretary to the Committee shall, at any time summon a Committee meeting. Notice shall be given to each Committee member in person orally or in writing or by telephone or by email or by facsimile transmission at the telephone or facsimile or address or email address from time to time notified to the secretary by such Committee member or in such other manner as the Committee members may from time to time determine.

- (c) Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.
  - (d) Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting.
- 3.2 **Quorum:** The quorum of the Committee meeting shall be two members of the Committee.
- 3.3 **Frequency:** Meetings shall be held at least once a year
4. **Written resolutions**
- 4.1 Written resolutions may be passed by all Committee members in writing.
5. **Alternate Committee members**
- 5.1 A Committee member may not appoint any alternate.
6. **Authority of the Committee**
- 6.1 The Committee may exercise the following powers:
- (a) to seek any information it requires from any employee of the Company and its subsidiaries (together, the “**Group**”) and any professional advisers in order to perform its duties, to require any of them to prepare and submit reports and to attend Committee meetings and to supply information and address the questions raised by the Committee;
  - (b) to review the performance of the directors and the independence of independent non-executive directors in relation to their appointment or reappointment as directors;
  - (c) to obtain, at the Company’s expenses, outside legal or other independent professional advice on or assistance to any matters within these terms of reference, including the advice of independent human resource consultancy firm or other independent professionals, and to secure the attendance of outsiders with relevant experience and expertise at its meetings if it considers this necessary. The Committee shall have full authority to commission any search (including without limitation litigation, bankruptcy and credit searches), report, survey or open recruitment which it deems necessary to help it fulfill its duties and should be provided with sufficient resources to discharge its duties;

(d) to review annually these terms of reference and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary; and

(e) to exercise such powers as the Committee may consider necessary and expedient so that their duties under section 7 below can be properly discharged.

6.2 The Committee should be provided with sufficient resources to discharge its duties.

## 7. **Duties**

7.1 The duties of the Committee shall be:

(a) to review the structure, size, composition and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(b) to determine the policy for the nomination of Directors ("**Nomination Policy**") and to disclose the Nomination Policy in the Corporate Governance Report of the Company annually; the Nomination Policy shall set out, inter alia, the nomination procedures and process and criteria to select and recommend candidates for directorship;

(c) to identify individuals suitably qualified to become members of the Board and may select individuals nominated for directorship. In identifying suitable individuals, the Committee shall consider individuals on merit and against the objective criteria, with due regard for the benefits of diversity on the Board;

(d) to assess the independence of the independent non-executive directors;

(e) to review the Board Diversity Policy, as appropriate, and review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and make disclosure of the summary of the Board Diversity Policy and the review results in the Corporate Governance Report annually;

(f) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive, taking into the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future; and

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

The Committee should assist the Board in addressing the above information in the relevant circular and/or explanatory statement when it is requested by the Board.

## **8. Minutes and records**

- 8.1 Full minutes of the meetings of the Committee and all written resolutions of the Committee should be kept by the secretary of the Committee.
- 8.2 The secretary of the Committee shall circulate the draft and final versions of minutes of the meeting of the Committee or, as the case may be, written resolutions of the Committee to all members of the Committee for their comment and records respectively within a reasonable time after the meeting or before the passing of the written resolutions.
- 8.3 The secretary of the Committee shall keep record of all meetings of the Committee held during each financial year of the Company and records of individual attendance of members of the Committee, on a named basis, at meetings held during that financial year.

**9. Continuing application of the articles of association of the Company**

- 9.1 The articles of association of the Company regulating the meetings and proceedings of the directors so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

**10. Powers of the Board**

- 10.1 The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 to the Listing Rules or if adopted by the Company, the Company's own code of corporate governance practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.