

Fujian Haixi Pharmaceuticals Co., Ltd.

Terms of Reference of the Nomination Committee of the Board of Directors of the Company

Chapter I General Provisions

Article 1 To standardize the selection and appointment of directors and senior management of Fujian Haixi Pharmaceuticals Co., Ltd. (hereinafter referred to as the “**Company**”), the nomination committee (hereinafter referred to as the “**Nomination Committee**”) of the board of directors (hereinafter referred to as the “**Board of Directors**”) of the Company has been established with these terms of reference in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “**Company Law**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Listing Rules**”), the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, the Articles of Association of Fujian Haixi Pharmaceuticals Co., Ltd. (hereinafter referred to as the “**Articles of Association**”) and other relevant applicable laws and regulations and regulatory documents.

Article 2 The Nomination Committee is a specialized working body established by the Board of Directors in accordance with the Articles of Association. It is primarily responsible for formulating the procedures and criteria for the selection and appointment of directors and senior management personnel, conducting preliminary reviews of the qualifications and conditions of the proposed candidates, and making recommendations to the Board of Directors.

Chapter II Composition

Article 3 The Nomination Committee shall consist of at least (and including) three directors, a majority of whom shall be independent non-executive directors of the Company.

Article 4 The Nomination Committee shall have a chairman (convenor) (hereinafter referred to as the “**Chairman**”) appointed by the Board of Directors from among its members. The Chairman shall be an independent non-executive director or the chairman of the Board of Directors. The Chairman shall be responsible for overseeing the work of the Nomination Committee. The secretary of the Nomination Committee shall be the company secretary or any other person designated by the Nomination Committee from time to time.

Article 5 The term of office of the Nomination Committee shall be aligned with that of the Board of Directors. Members of the Nomination Committee may be re-elected upon expiry of their term of office. If any member ceases to serve as a director of the Company prior to expiry of his/her term of office, he/she shall automatically be disqualified from acting as a member of the Nomination Committee and the Board of Directors shall fill the consequential vacancy in accordance with Article 3 to Article 4 above.

Chapter III Duties and Authorities

Article 6 The main duties and authorities of the Nomination Committee are as follows:

- (1) to review the structure, number and composition (including skills, knowledge and experience) of the Board of Directors and senior management at least annually according to the Company’s situation, assist the Board of Directors in maintaining the Board of Directors’ skills matrix, and make recommendations on any changes to the Board of Directors and senior management to match the Company’s corporate strategy so as to promote the Company’s corporate strategy;
- (2) to assess annually each director’s time commitment and contribution to the Board of Directors, as well as his/her ability to effectively discharge his/her duties, taking into account the director’s professional qualifications and work experience, existing directorships in Main Board listed issuers and other significant external time commitments, as well as other factors or circumstances relating to the director’s character, integrity, independence and experience;
- (3) to identify individuals with suitable qualifications to serve as directors and senior management and select and nominate such individuals for appointments as directors and senior management or make recommendations to the Board of Directors;

- (4) to assess the independence of independent non-executive directors;
- (5) to review annually the time commitment of the non-executive directors and independent non-executive directors and assess whether the non-executive directors and independent non-executive directors have devoted sufficient time to fulfilling their duties by applying performance evaluation;
- (6) to make recommendations to the Board of Directors on the appointment or reappointment of directors and senior management and succession planning for directors and senior management (in particular the chairman and the general manager), if any;
- (7) to review candidates for positions that need to be elected and decided by the shareholders' meeting and the Board of Directors and make recommendations to the Board of Directors;
- (8) to formulate or revise a policy on the diversity of the Board of Directors and regularly evaluate and disclose such diversity policy or a summary of the policy in the Company's corporate governance report to ensure that all members of the Board of Directors are appointed on the basis of merit and that candidates are selected from diversity perspectives, including, but not limited to, gender, age, ethnicity, language, cultural background, educational background, industry experience and professional experience;
- (9) to support the Company in conducting regular assessments of the Board of Directors' performance; and
- (10) other matters required to be performed or authorized by laws and regulations, the Hong Kong Listing Rules and other relevant regulatory rules of the place where the Company is listed and the Board of Directors.

If necessary, the Nomination Committee will be authorized to seek external legal or other independent professional advice at the Company's expense.

The scope of candidates to be reviewed and recommended by the Nomination Committee based on the Board of Directors' decision is:

- (1) members of the Board of Directors and members of specialized bodies of the Board of Directors;
- (2) the Company's general manager and deputy general manager; and
- (3) Secretary of the Board of Directors, chief financial officer and other senior management personnel recognized by the Board of Directors.

Chapter IV Rules of Procedure

Article 7 The Nomination Committee shall hold a meeting at least once a year. A notice shall be given to all members three days before the date of the meeting. Meetings shall be convened and presided over by the Chairman. If the Chairman is unable or fails to perform his/her duties, he/she may authorize another member (who shall be an independent non-executive director) to perform the duties on his/her behalf. In the event of an emergency requiring a meeting as soon as possible, a meeting notice may be issued in writing, by telephone, by mail, by communication or by other means.

Article 8 A meeting of the Nomination Committee may only be held if more than half of the members are present. Each member has one vote. Resolutions made at the meeting shall be approved by more than half of all members of the Nomination Committee.

Article 9 Nomination Committee members shall clearly express their views on matters under discussion. If a member is unable to attend a committee meeting in person, he/she may authorize another member to vote on his/her behalf in writing, in accordance with their opinions.

The power of attorney must specify the name of the proxy, subject matter, the authority, and the validity period, and must be signed by the principal. When attending a meeting, the proxy shall present the power of attorney and exercise rights within the scope of authorization.

Article 10 A member of the Nomination Committee who fails to attend two consecutive meetings either in person or by proxy shall be deemed unable to perform his/her duties, and the Nomination Committee shall propose to the Board of Directors that such member be removed.

Article 11 Voting at the meeting shall be conducted by a show of hands or by poll.

Article 12 When necessary, the Nomination Committee may invite directors and senior management of the Company who are not members of the Nomination Committee to attend the meeting.

Article 13 The Company should provide the Nomination Committee with sufficient resources to perform its duties, and relevant departments of the Company should cooperate with the Nomination Committee in fulfilling its responsibilities. If necessary, the Nomination Committee may retain an intermediary to provide professional advice to support its decision-making, at the Company's expense.

Article 14 A member shall abstain from discussions regarding any issue related to such member at a meeting of the Nomination Committee. Such meetings of Nomination Committee may be held with the attendance of a majority of the non-affiliated members, and resolutions made at the meeting must be approved by a majority of the non-affiliated members. If the number of non-affiliated members present at the meeting is less than one-half of the total number of non-affiliated members of the Nomination Committee, the matter shall be submitted to the Board of Directors for consideration.

Article 15 Minutes of the Nomination Committee shall be properly recorded. Minutes shall be prepared by the Board of Directors and shall include the following:

- (1) method, date and location of the meeting, and the name of the person presiding;
- (2) details of attendance at meetings, absences, and attendance by proxy;
- (3) names and positions of persons attending the meeting;
- (4) the agenda of the meeting;

(5) the key points raised by members and relevant attendees;

(6) the name of the persons taking the minutes.

The members present at the meeting shall sign the minutes of the meeting of the Nomination Committee. The minutes shall be maintained by the secretary to the Board of Directors of the Company for a period of not less than ten years.

Article 16 Resolutions passed and voting results at the meetings of the Nomination Committee shall be reported to the Board of Directors in writing. The Nomination Committee shall report its decisions or recommendations to the Board of Directors unless restricted by legal or regulatory requirements (e.g. disclosure restrictions due to regulatory requirements).

Article 17 Nomination Committee members and attendees are obliged to keep confidential the matters discussed at meetings of the Nomination Committee and shall not disclose relevant information without authorization.

Chapter V Supplementary Provisions

Article 18 These terms of reference have been reviewed and approved by the Board of Directors of the Company and will take effect and be implemented starting from the date on which the Company's overseas-listed foreign shares (H shares) are listed and commence trading on The Stock Exchange of Hong Kong Limited. Upon the effective date of these terms of reference, the previous terms of reference will automatically become invalid.

Article 19 In case of any inconsistency between the Chinese and English versions of these terms of reference, the Chinese version shall prevail.

Article 20 Matters not covered by these terms of reference shall be governed by relevant laws and regulations, the Listing Rules, other regulations of the Hong Kong securities regulatory authorities, and the relevant provisions of the Company's Articles of Association. In the event that any relevant provisions of these terms of reference conflict with relevant laws and regulations, the Listing Rules, other regulations of the Hong Kong securities regulatory authorities, or the Company's Articles of Association, as promulgated or amended from time to time, such provisions shall prevail in accordance with the relevant laws and regulations, the Listing Rules, other regulations of the Hong Kong securities regulatory authorities, the current Articles of Association, or any amended Articles of Association.

Article 21 These terms of reference are subject to revision and interpretation by the Board of Directors.