



BEIJING TONG REN TANG CHINESE MEDICINE COMPANY LIMITED
北京同仁堂國藥有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 3613)

**SUMMARY OF TERMS OF REFERENCE OF
THE NOMINATION COMMITTEE**

The Nomination Committee

The board of directors (the “**Board**”) of **BEIJING TONG REN TANG CHINESE MEDICINE COMPANY LIMITED** (the “**Company**”) established a committee of the Board known as the Nomination Committee (the “**Nomination Committee**”), a summary of its constitution and particular duties are set out below:-

1. Membership

- 1.1 The members of the Nomination Committee shall be appointed by the Board from amongst the directors of the Company (the “**Directors**”) and the Nomination Committee shall consist of not less than three members, the majority of which shall be independent non-executive Directors.
- 1.2 The Nomination Committee should be chaired by the chairman of the Board or an independent non-executive Director. The chairman of the Nomination Committee shall be appointed by the Board.

2. Secretary

- 2.1 The Company Secretary shall be the secretary (the “**Secretary**”) of the Nomination Committee.
- 2.2 The Nomination Committee may from time to time appoint another Secretary with appropriate qualification and experience.

3. Meetings

- 3.1 The Nomination Committee members may call any meetings at any time when necessary.
- 3.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be sent to each member of the Nomination Committee, and to any other person required to attend in relation to all regular meetings of the Nomination Committee, at least 14 days before the date of the meeting; and in relation to continued meetings held within 14 days, no prior notice is required.

- 3.3 The quorum of Nomination Committee meetings shall be two members, one of them should be an independent non-executive Director.
- 3.4 The Nomination Committee members may attend meetings either in person, by telephone or through other electronic means of communication (which are available to all attended parties).
- 3.5 Resolutions of the Nomination Committee shall be passed with a majority of votes.
- 3.6 Resolutions signed by all members of the Nomination Committee will be treated valid as if it is passed in the meeting held by the Nomination Committee.
- 3.7 Minutes of the Nomination Committee meetings shall be kept by the secretary of the Nomination Committee and shall be available for inspection by any member of the Nomination Committee and/or any Director of the Company at any reasonable time on reasonable notice. Draft and final versions of minutes of Nomination Committee meetings shall be sent to all Nomination Committee members for their comments and records respectively, in both cases within a reasonable time after the meeting. Once they are agreed, the secretary of the Nomination Committee shall circulate the minutes and reports of the Nomination Committee to all members of the Board.

4. Attendance of Meetings

- 4.1 Upon invitation by the Nomination Committee, the chairman of the Board and/or the general manager or the chief executive officer, external consultant and other Board members may attend all or any of the meetings.
- 4.2 Only the Remuneration Committee members shall have the voting powers.

5. Annual General Meeting

- 5.1 The chairman of the Nomination Committee shall endeavour to attend the annual general meeting of the Company and be prepared to respond to any shareholder questions on the Nomination Committee's activities. If the chairman of the Nomination Committee is unable to attend, a member of the Nomination Committee (who must be an independent non-executive director) shall attend the annual general meeting of the Company. Such person shall be prepared to respond to any shareholder questions on the Nomination Committee's activities.

6. Duties and responsibilities

The duties of the Nomination Committee shall include, but shall not be limited to the following:

- 6.1 to review the structure, size and composition of the Board (including the skills, knowledge and experience) at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- 6.2 to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

- 6.3 to assess the independence of independent non-executive Directors;
- 6.4 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; and
- 6.5 where the Board proposes a resolution to elect an individual as an independent non-executive Director at the general meeting, the Nomination Committee should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe the individual should be elected and the reasons why they consider the individual to be independent.

7. Reporting responsibilities

- 7.1 After each meeting, the Nomination Committee shall report formally to the Board on all matters within its duties and responsibilities.

8. Authority

- 8.1 The Nomination Committee shall consult the chairman and/or the general manager or the chief executive officer of the Company about their proposals relating to the remuneration of other executive directors.
- 8.2 the Nomination Committee is authorised by the Board when necessary to seek any remuneration information it requires from senior management of the Company to order to discharge its duties.
- 8.3 The Nomination Committee is authorised by the Board when necessary to obtain outside legal or other independent professional advice in connection with its duties at the Company's expense.

Note: All such arrangements of obtaining outside legal or other independent professional advice may be made by the company secretary.

- 8.4 The Nomination Committee shall have access to sufficient resources in order to discharge its duties.