



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)

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 “**Committee**”), a summary of its constitution and particular duties are set out below:-

1. Membership

- 1.1 The members of the Committee shall be appointed by the Board from amongst the directors of the Company (the “**Director(s)**”) and the Committee shall consist of not less than three members. A majority of the member of the Committee shall be independent non-executive Directors of the Company (the “**Independent Non-executive Director(s)**”).
- 1.2 The chairman of the Committee, who should be either the chairman of the Board or an Independent Non-executive Director, shall be appointed by the Board.
- 1.3 At least one member of the Committee must be of a different gender.

2. Secretary

- 2.1 The secretary of the Committee shall be held by the company secretary of the Company.
- 2.2 The Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Committee.

3. Meetings

- 3.1 The Committee may convene a meeting as and when necessary, or may also convene meeting upon request by the Directors.
- 3.2 Unless otherwise agreed by all members of the Committee, notice of the Committee meeting shall be sent to each member of the Committee, and to any other person required to attend the meeting of the Committee, at least 7 days before the date of the meeting. In urgent circumstances, notice days may be waived with the consent of two-thirds or more of the members to convene the Committee’s meeting as soon as possible.

- 3.3 The quorum of the Committee meetings shall be two members, one of them should be an Independent Non-executive Director.
- 3.4 The 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 Committee shall be passed with a majority of votes.
- 3.6 Resolutions in writing signed by all members of the Committee will be treated valid as if it is passed in the meeting held by the Committee.
- 3.7 The complete minutes of the Committee meetings shall be kept by the secretary of the Committee and shall be available for inspection by any member of the Committee and/or any Director at any reasonable time on reasonable notice. Draft and final versions of minutes of the Committee meetings shall be sent to all members of the Committee for their comments and records respectively, in both cases within a reasonable time after the meeting. Once they are agreed, the secretary of the Committee shall circulate the minutes of the meeting to all members of the Committee.

4. Attendance of Meetings

- 4.1 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as chairman of the Board, other Directors, chief executive officer of the Company and external advisers may be invited to attend all or part of any Committee meeting, as and when appropriate.
- 4.2 Only the Committee members have the voting powers.

5. Annual General Meeting

- 5.1 The chairman of the Committee shall attend the annual general meeting of the Company and be prepared to respond to any questions of the shareholders of the Company on the Committee's activities. If the chairman of the Committee is unable to attend, a member of the 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 Committee's activities.

6. Duties

The duties of the Committee shall include, but shall not be limited to the following, and carry out any other duties as delegated by the Board:

- 6.1 to review the structure, size and composition of the Board (including the skills, knowledge and experience) at least annually, assist the Board in maintaining a board skills matrix, 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 Directors 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 of the Board and the chief executive officer of the Company;
- 6.5 to support the Company's regular evaluation of the Board's performance;
- 6.6 to review the board diversity policy and any measurable objectives for implementing such board diversity policy as may be adopted by the Board from time to time and to review the progress on achieving the objectives; and
- 6.7 where the Board proposes a resolution to elect an individual as an Independent Non-executive Director at the general meeting, the Committee should set out in the circular to shareholders of the Company and/or explanatory statement accompanying the notice of the relevant general meeting:
 - 1. 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;
 - 2. if the proposed Independent Non-executive Director will be holding their seventh (or more) directorship of listed company on GEM or the Main Board, why the Board believes the individual would still be able to devote sufficient time to the Board;
 - 3. the perspectives, skills and experience that the individual can bring to the Board; and
 - 4. how the individual contributes to diversity of the Board.

7. Reporting responsibilities

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

8. Authority

- 8.1 The Committee is authorised by the Board to handle any matters within its scope of authority, and is authorised to seek any information it requires from any employee of the Company. Senior management have been instructed to cooperate with any requests made by the Committee.
- 8.2 The Committee is authorised by the Board to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. Relevant expenses will be borne by the Company.

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

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