



Lee's Pharmaceutical Holdings Limited

李氏大藥廠控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 950)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

1. Function and Objective

- 1.1 The nomination committee (the “**Nomination Committee**”) shall be appointed by the board (the “**Board**”) of directors (the “**Directors**”) of the Company.
- 1.2 The objective of the Nomination Committee is to identify, consider and recommend to the Board appropriate candidates to serve as directors of the Company, to oversee the process for evaluating the performance of the Board, and to develop and recommend to the Board the nomination guidelines, which shall be consistent with any applicable laws, regulations and listing standards.

2. Composition

- 2.1 The Nomination Committee should comprise a majority of independent non-executive directors.
- 2.2 The Nomination Committee must be chaired by the chairman or chairlady of the Board or an independent non-executive director within the Nomination Committee and appointed by the Board.
- 2.3 The Company should appoint at least one director of a different gender to the Nomination Committee.
- 2.4 The terms of each appointment to the Nomination Committee members shall be determined by the Board upon appointment.
- 2.5 The company secretary of the Company shall act as the secretary of the Nomination Committee. The Nomination Committee may from time to time, appoint any other person with appropriate qualification and experience to act as the secretary of the Nomination Committee.

* For identification purpose only

3. Proceedings of Meetings

- 3.1 The Nomination Committee shall meet at least once in each year. The member of the Nomination Committee can convene a meeting anytime when it is necessary.
- 3.2 Due notice should be given for any meeting, unless such notification is waived by all members of the Nomination Committee. Notwithstanding the notification period, the attendance of the member of the Nomination Committee at the meeting would be deemed to be treated as the waiver of the required notification requirement.
- 3.3 The quorum necessary for the transaction of business of the Nomination Committee shall be two members of the Nomination Committee, one of whom must be an independent non-executive director.
- 3.4 Meeting can be attended in person or via electronic means including telephone or videoconferencing. The members of the Nomination Committee can attend the meeting via telephone or any similar communication device (all persons attending such meeting should be able to hear from such member via such communication device).
- 3.5 Resolutions of the Nomination Committee shall be passed by more than half of its members.
- 3.6 The resolution passed and signed by all members of the Nomination Committee is valid, and the validity is the same as any resolution passed in the meeting held.
- 3.7 Full minutes of the Nomination Committee meeting should be kept by the company secretary or the duly appointed secretary of the Nomination Committee and be available for review by the directors. Draft and final versions of minutes of the meeting should be sent to all members of the Nomination Committee for their comment and records, within a reasonable time after the meeting.
- 3.8 Upon the invitation from the Nomination Committee, the chairman or chairlady of the Board and/or the general manager or the chief executive officer, external advisor and other persons can be invited to attend all or part of any meeting.
- 3.9 Only the members of the Nomination Committee can vote in the meeting.

4. Annual general meetings

- 4.1 The chairman or chairlady of the Nomination Committee or (if absent) the other member of the Nomination Committee (must be an independent non-executive director) should attend the annual general meetings of the Company, handle the shareholders' enquiry on the activities and responsibilities related to the Nomination Committee.

5. Duties and responsibilities

Without prejudice to any requirement under the Corporate Governance Code (the “**CG Code**”) as contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time), the Nomination Committee shall have the following duties and powers:

- 5.1 to review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board 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;
- 5.2 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;
- 5.3 to assess the independence of independent non-executive directors;
- 5.4 to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors (in particular the chairman or chairlady and the chief executive officer);
- 5.5 to support the Company’s regular evaluation of the Board’s performance and assess each director’s time commitment and contribution to the Board annually;
- 5.6 to review the policy on Board diversity (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 to make disclosures of its progress on its review results in the annual report of the Company annually; and
- 5.7 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 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 and the reasons why it considers the individual to be independent;
 - (ii) if the proposed independent non-executive director will be holding their 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 to the Board.

6. Reporting responsibilities

- 6.1 The Nomination Committee shall report to the Board after each of its meetings.
- 6.2 The Nomination Committee should make a statement in the annual report about its activities, the process used and criteria adopted to make appointments and whether external advice and/or open advertising was used.

7. Authority

- 7.1 The authorities and responsibilities of the Nomination Committee shall include such authorities and responsibilities set out in the relevant code provisions of the CG Code.
- 7.2 The Nomination Committee is authorized by the Board to determine the procedures, process and criteria to be adopted in relation to the selection and recommendation of candidates for directorship.
- 7.3 The Nomination Committee is authorised by the Board to request from employee of the Company to provide any information within the scope of its duties.
- 7.4 The Nomination Committee should have access to independent professional advice at the Company's expense if necessary, to perform the responsibilities of the Nomination Committee.

Note: All such arrangements to seek independent professional advice could be made through chief financial officer or company secretary of the Company.

- 7.5 The Nomination Committee should be provided with sufficient resources to perform its duties.