

TenNor Therapeutics (Suzhou) Limited

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

Chapter I General Provisions

Article 1 To improve the decision-making processes of the Board of TenNor Therapeutics (Suzhou) Limited (the “Company”), enhance the effective supervision of management by the Board of the Company, improve the corporate governance structure, and fully safeguard the legitimate rights and interests of the Company and its shareholders, the Company has established a Nomination Committee under the Board (the “Nomination Committee”) and formulated these Terms of Reference in accordance with the *Company Law of the People’s Republic of China*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the “*Hong Kong Listing Rules*”), Appendix C1 to the *Hong Kong Listing Rules* (the “*CG Code*”), the *Articles of Association of TenNor Therapeutics (Suzhou) Limited (Draft)* (the “*Articles of Association*”), and other relevant laws and regulations.

Article 2 The Nomination Committee, as a specialized committee established under the Board, shall be accountable to and report its work to the Board.

Article 3 The Nomination Committee is principally responsible for formulating the selection criteria, conditions and procedures for the appointment of Directors and senior management personnel of the Company, selecting and reviewing candidates for Directors and senior management personnel and their qualifications for office, and making recommendations and providing advice to the Board on the above matters.

Chapter II Composition of the Nomination Committee

Article 4 The Nomination Committee shall consist of not less than three members, all of whom shall be Directors, with independent non-executive Directors forming the majority, and there shall be at least one Director of a different gender.

Article 5 The members of the Nomination Committee shall be nominated by the Chairman of the Board, more than one-half of the independent non-executive Directors, or one-third of all Directors, and shall be elected by the Board.

Article 6 The Nomination Committee shall have one chairman, who shall be appointed from among the Chairman of the Board or an independent non-executive Director. The candidate for the chairman shall be nominated by more than half of all members of the Nomination Committee, and approved and appointed by the Board. The chairman shall exercise the following powers:

- (1) to preside over the work of the Nomination Committee;
- (2) to convene and chair regular meetings and extraordinary meetings of the Nomination Committee;
- (3) to supervise and monitor the implementation of resolutions passed at meetings of the Nomination Committee;

- (4) to sign important documents of the Nomination Committee;
- (5) to report to the Board on a regular basis or in accordance with the Board's work arrangements;
- (6) to attend the annual general meeting of the Company and respond to shareholders' questions relating to the duties of the Nomination Committee. If the chairman of the Nomination Committee is unable to attend the annual general meeting, another member or an appropriately appointed representative shall attend;
- (7) such other powers as may be required by laws, regulations, normative documents, the *Hong Kong Listing Rules*, requirements of Hong Kong securities regulatory authorities, the *Articles of Association* and as may be granted by the Board.

Article 7 The term of office of the Nomination Committee shall be the same as that of the Board of the same session. Upon expiration of their term, members are eligible for re-election and may serve consecutive terms.

Prior to the expiration of their term, members shall not be removed from office without cause unless circumstances arise that disqualify them from serving pursuant to applicable laws and regulations, the *Articles of Association*, the *Hong Kong Listing Rules*, or these Terms of Reference. Where a member of the Nomination Committee submits his or her resignation to the Board prior to the expiry of his or her term of office, the resignation letter shall contain necessary explanations of the reasons for resignation and matters requiring the attention of the Board of the Company. Where the number of members of the Nomination Committee falls below the minimum number prescribed in these Terms of Reference, the resigning member shall continue to perform relevant duties until a replacement member is appointed by the Board.

During the term of a member, if such member ceases to serve as a Director of the Company or otherwise becomes ineligible to serve as a member (including where a member required to hold the status of an independent non-executive Director no longer satisfies the independence requirements under the *Hong Kong Listing Rules*), such member shall automatically vacate office, and the Board shall replenish the membership of the Nomination Committee in accordance with Articles 4 to 6 of these Terms of Reference.

Where the composition of the Nomination Committee fails to satisfy the requirements of these Terms of Reference, the Board shall immediately publish an announcement in accordance with the *Hong Kong Listing Rules* setting out the details of and reasons for such non-compliance, and shall restore compliance within three months from the date on which the relevant requirement ceases to be met. The term of office of any member so appointed shall expire upon the conclusion of such member's term as a Director of the Company.

Pending restoration of the requisite membership under Article 4 of these Terms of Reference, the Nomination Committee shall suspend the exercise of its powers and functions as set out herein, which shall be assumed by the Board in the interim.

Any change in the membership of the Nomination Committee that coincides with a change in the composition of the Board shall be subject to approval by the shareholders at a shareholders' meeting in accordance with the procedures prescribed in the *Articles of Association*, and shall be disclosed by announcement in accordance with the regulatory requirements of the stock exchange on which the Company's shares are listed.

Article 8 A member of the Nomination Committee may concurrently hold positions in other specialized committees of the Board, provided he/she is capable of fulfilling his/her respective responsibilities.

Article 9 The secretary to the Board shall be responsible for day-to-day liaison and meeting coordination for the Nomination Committee. The human resources management department of the Company shall concurrently serve as the working body of the Nomination Committee, undertaking specific work.

Chapter III Duties and Powers of the Nomination Committee

Article 10 The principal duties and powers of the Nomination Committee are as follows:

- (1) to review at least annually the structure, size, composition and relevant qualifications (including skills, knowledge, expertise and experience) of the Board, assist the Board in preparing a board skills matrix, and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (2) to study the selection criteria and procedures for Directors, the General Manager and other senior management personnel, and make recommendations to the Board;
- (3) to identify qualified candidates for Directors, the general manager and other senior management personnel, select and nominate relevant candidates or make recommendations to the Board, promote diversity policy in the selection of Directors; in the selection of Directors, promote the diversity policy and monitor its implementation;
- (4) to formulate and maintain a policy on board diversity, review it regularly and disclose the diversity policy or a summary of the policy in the Company's corporate governance report;
- (5) to review and make recommendations on candidates for Directors, the general manager and other senior management personnel;
- (6) to review the independence of independent non-executive Directors;
- (7) to assess the number of Directorships held by independent non-executive Director candidates in other listed companies; an independent non-executive Director shall not simultaneously hold Directorships in more than six companies listed on The Stock Exchange of Hong Kong Limited or serve as independent Director in more than three domestic listed companies;

- (8) to conduct annual assessments of the time commitment and contribution to the Board required of each Director and whether each Director can effectively perform his or her duties, taking into account the professional qualifications and work experience of Directors, existing Directorships in Hong Kong listed companies, time commitment involved in other significant external affairs of such Directors, and other factors or circumstances relating to the personality, character, independence and experience of Directors, and apply performance evaluation to assess whether each Director has devoted sufficient time to perform his or her duties;
- (9) to make recommendations to the Board on matters relating to the appointment or re-appointment of Directors, the general manager and other senior management personnel, and succession planning for Directors (particularly the Chairman of the Board), the general manager and other senior management personnel;
- (10) to support the Company in conducting regular assessments of Board performance;
- (11) to examine candidates for shareholder representatives appointed or replaced by the Company to its wholly-owned, holding subsidiaries and subsidiaries in which the Company has a non-controlling interest, and candidates for Directors and supervisors recommended or replaced by the Company to such subsidiaries, and make recommendations to the Board;
- (12) where any independent non-executive Director of the Company has served as an independent non-executive Director for nine years or more, the Company shall not retain such independent non-executive Director upon the expiry of such nine-year term at the conclusion of the Company's annual general meeting held thereafter.

For the purposes of this provision, the "nine years" shall be calculated from the date of appointment of the independent non-executive Director or (if appointed prior to listing) the date of the Company's listing. If such person has ceased to serve as an independent non-executive Director of the issuer for less than three years before completing nine years as an independent non-executive Director, such period of cessation shall also be counted in his or her term of office.

A person who has previously served as an independent non-executive Director on the board of a listed company for nine years or more may be permitted to be re-appointed as an independent non-executive Director of the Company thereafter if he or she satisfies the following conditions: (i) he or she complies with the guidelines on independence set out in Rule 3.13 of the *Listing Rules*; and (ii) he or she has not served as a Director of the Company, its holding company or any of its subsidiaries or core connected persons at any time during the three years prior to the date on which the issuer proposes to make the re-appointment;

- (13) to formulate training programs for Directors; and
- (14) other matters required by laws, regulations, normative documents, the *Hong Kong Listing Rules*, requirements of Hong Kong securities regulatory authorities, the *Articles of Association* and as authorized by the Board.

Article 11 Where the Company fails to establish a Nomination Committee, or fails to comply with the other relevant provisions at any time, it shall immediately publish an announcement setting out details of and reasons for such non-compliance. The Company must use reasonable endeavors to establish a Nomination Committee with written terms of reference and/or appoint suitable candidates to comply with such provisions as soon as practicable (in any event within three months from the date on which it fails to comply with the relevant provisions).

Article 12 The Nomination Committee is responsible to the Board, and reports its work, decisions or recommendations to the Board, unless the Nomination Committee is restricted from making such reports by laws, regulations or regulatory restrictions. Proposals approved by the Nomination Committee shall be submitted to the Board for consideration and decision in writing, or, subject to the Board's approval, submitted by the Board to the general meeting of the Company for consideration and decision in accordance with the provisions of the *Articles of Association*.

Article 13 The Company shall provide the Nomination Committee with the necessary funds and other resources to perform its duties. Where the Committee requires independent professional advice in the performance of its duties, such advice shall be sought at the Company's expense.

Article 14 The Nomination Committee shall publish its terms of reference on the website of The Stock Exchange of Hong Kong Limited (hereinafter referred to as "Hong Kong Stock Exchange") and the Company's official website, explaining its role and the powers delegated to it by the Board of the Company.

Chapter IV Decision-making Procedures of the Nomination Committee

Article 15 The Nomination Committee shall, in accordance with the provisions of relevant laws and regulations and the *Articles of Association*, and having regard to the actual circumstances of the Company, study the eligibility conditions, selection procedures and term of office of the Company's Directors, general manager and other senior management personnel, form resolutions for record and submission to the Board, and implement such resolutions upon approval by the Board or the general meeting.

Article 16 Selection procedures for Directors, general manager and other senior management personnel are as follows:

- (1) based on the development needs of the Company, the Nomination Committee shall conduct comprehensive assessments and analysis of the Company's existing Directors, General Manager and other senior management personnel, propose requirements and formulate position descriptions;
- (2) based on position requirements, extensively search for candidates for Directors, general manager and other senior management personnel through various channels;
- (3) collect information on the occupation, educational background, professional title, detailed work experience and all concurrent positions of preliminary candidates, and form written materials;

- (4) in accordance with the provisions of laws, regulations and the *Articles of Association*, seek the consent of candidates to their nomination by relevant institutions or persons in respect of the nomination of Directors, general manager and other senior management personnel, failing which they shall not be considered as candidates for Directors, general manager and other senior management personnel;
- (5) convene Nomination Committee meetings to conduct qualification reviews of candidates in accordance with the eligibility conditions for Directors, general manager and other senior management personnel;
- (6) one to two months prior to the election of new Directors and appointment of new senior management personnel, submit recommendations on candidates and relevant materials to the Board; and
- (7) conduct other follow-up work based on Board decisions and feedback.

Chapter V Meetings of the Nomination Committee

Article 17 Meetings of the Nomination Committee shall include regular meetings and extraordinary meetings.

The Nomination Committee shall hold at least one regular meeting per year.

The Board may convene extraordinary meetings when it deems necessary or upon the proposal of two or more members or the chairman of the Nomination Committee.

Article 18 No fewer than three business days prior to a meeting, all members and person invited to attend the meeting shall be notified of the time and venue, format, purpose and agenda, convener and presiding officer of the meeting by telephone, post, email, fax or other means, and all relevant meeting materials shall be delivered to each member and person invited to attend the meeting.

In emergency circumstances, the convening of extraordinary meetings shall not be subject to the aforesaid notice time limit, provided that the chairperson of the meeting shall make an explanation at the meeting.

Article 19 Nomination Committee meetings shall be chaired by the chairman. Where the chairman is unable to attend, he or she may delegate a member (who shall be an independent non-executive Director) to chair the meeting. Where the chairman neither performs his or her duties nor designates another member to act on his or her behalf, any member may report the relevant circumstances to the Board of the Company, and the Board shall designate an independent non-executive Director member to perform the chairman's duties.

Article 20 A meeting of the Nomination Committee shall be attended by more than two-thirds of the members.

Members of the Nomination Committee shall attend meetings in person or by telephone conference or similar communications equipment. Where a member is genuinely unable to attend in person, he/she may authorize another member in writing to attend on his/her behalf, provided that the written authorization specifies the scope and term of the authority so delegated. At the same time, each member may not accept proxies from two or more members. Where a member fails to attend a Committee meeting and fails to appoint a representative to attend, he or she shall be deemed to have waived his or her voting rights at that meeting. Where a member of the Nomination Committee fails to attend in person for two consecutive times and fails to appoint another member to attend Nomination Committee meetings, he or she shall be deemed unable to perform his or her duties, and the member of the Nomination Committee shall recommend to the Board that he or she be removed.

Members attending the meeting shall adopt a conscientious and responsible attitude, deliberate on proposals and fully express their personal views. Where views are inconsistent, such inconsistency shall be recorded in the minutes submitted to the Board.

Article 21 The Nomination Committee may, as necessary, invite other Directors and senior management personnel of the Company to attend meetings.

Article 22 The Nomination Committee may, as necessary, engage relevant intermediaries to provide professional advice for its decision-making; when necessary, such intermediaries may also attend meetings. Intermediaries so engaged shall be required to enter into a confidentiality agreement with the Company. The reasonable costs and expenses incurred in engaging such intermediaries shall be borne by the Company.

Article 23 Voting at meetings shall be conducted by show of hands or ballot, with each member holding one vote. Resolutions of the Nomination Committee shall require approval by more than one-half of all members of the Committee, including those not in attendance.

Article 24 A meeting of the Nomination Committee may be convened by way of written proposals. Written proposals may be dispatched by fax, courier or by hand or other methods to all members. The members shall return the original copies to the Company for filing after casting vote on the proposals. A proposal signed by consenting members satisfying the number of votes prescribed in these Terms of Reference shall become an effective resolution of the Committee.

Article 25 The convening procedures, voting methods and resolutions passed at Nomination Committee meetings must comply with the provisions of relevant laws and regulations, the *Articles of Association* and these Terms of Reference.

Article 26 Where matters discussed at Nomination Committee meetings involve members of the Nomination Committee, the relevant member shall abstain.

Article 27 Resolutions approved at meetings of the Nomination Committee and the results of voting thereon shall be reported to the Board in writing.

Article 28 Members attending any meetings of the Committee and other persons shall have the obligation to keep confidential all matters discussed at such meetings and shall refrain from unauthorized disclosures of information relating thereto.

Article 29 The Nomination Committee shall keep complete minutes of its meetings. Members present at the meetings shall sign the meeting minutes. Where a member is unable to sign a meeting resolution in real time during a telephone or video conference, he or she may first express his or her views orally and complete written signing formalities as soon as practicable, and the subsequent written signature must be consistent with the oral views expressed at the meeting. The meeting minutes shall be kept by the secretary to the Board and be available for inspection by Directors at any time.

Minutes of meetings of the Nomination Committee shall be recorded by a staff member of the office of the Board as designated by the chairman of the Committee. The first draft of the minutes shall be submitted to all members for review as soon as practicable, and members shall provide any comments in writing. The final version of the minutes shall be finished within a reasonable time following the meeting and sent to all the members for record.

The meeting minutes shall include at least the following:

- (1) the meeting number, manner of convening, date, place and name of the chairperson;
- (2) attendance, absence and proxy arrangements;
- (3) the names and positions of persons attending the meeting as observers;
- (4) agenda items of the meeting;
- (5) key points of remarks by members and relevant observers;
- (6) the name of the minute taker; and
- (7) where applicable, a record in the minutes or resolutions of abstentions by members with an interest in the matter.

Chapter VI Abstention System

Article 30 Where a member of the Nomination Committee, or his/her associates (as defined in the *Hong Kong Listing Rules*), or any company controlled by a member of the Nomination Committee or his/her associates, has direct or indirect interests in the matters to be discussed at meetings of the Nomination Committee, such member shall disclose the nature and extent of such interests to the Nomination Committee as soon as possible.

Article 31 In the event of the circumstances described in the preceding article, the interested member shall provide a detailed explanation of the relevant circumstances at the meeting of the Nomination Committee and shall expressly abstain from voting. However, if other members of the Nomination Committee unanimously agree, after consideration, that such interests would have no material influence on the matters to be voted on, the interested member may vote. Where the Board of Directors of the Company considers it improper for the interested member in the preceding article to vote, it may revoke the voting results of the relevant resolution and request a re-vote on the relevant resolution by non-interested members.

Article 32 A meeting of the Nomination Committee shall consider and resolve on proposals without counting the interested member toward the quorum. If the minimum quorum of the meeting of the Nomination Committee is not present after the abstention of the interested member, all members (including the interested member) shall resolve upon the procedural matters regarding whether to submit the relevant proposals to the Board of Directors of the Company for consideration, and the Board of Directors of the Company shall consider such proposals accordingly.

Article 33 Minutes of meetings of the Nomination Committee and resolutions passed at the meetings shall clearly state that the interested members are not counted toward the quorum and have not voted on such resolutions.

Chapter VII Supplementary Provisions

Article 34 For the purposes of these Terms of Reference, “Directors” refers to all members of the Board of the Company; “senior management personnel” refers to the general manager, deputy general manager, chief financial officer, secretary to the Board appointed by the Board and other senior management personnel as stipulated in the *Articles of Association*.

Article 35 These Terms of Reference shall be approved at a meeting of the Board of the Company and shall come into effect on the date on which the Company’s initial public offering of H Shares is listed and commences trading on the Hong Kong Stock Exchange. Any amendments to these Terms of Reference shall likewise require approval by the Board. In the event of any conflict between these Terms of Reference and any laws, regulations or regulatory rules promulgated or amended after the date hereof, the relevant laws, regulations or regulatory rules shall prevail pending amendment of these Terms of Reference.

Article 36 Any matters not covered herein shall be implemented in accordance with relevant PRC laws, regulations and normative documents, the *Hong Kong Listing Rules*, the regulatory rules of the stock exchange on which the Company’s shares are listed, and the *Articles of Association*.

Article 37 The power of interpretation of these Terms of Reference belongs to the Board of the Company.

Article 38 Where these Terms of Reference are available in both Chinese and English versions, if there is any ambiguity between the Chinese and English versions, the Chinese version shall prevail.

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