

**Simcere Pharmaceutical Group Limited**  
**先聲藥業集團有限公司**

*(a company incorporated in Hong Kong with limited liability)*

(the “**Company**”)

(Stock code: 2096)

**Revised Terms of Reference of the Strategy Committee**

(Adopted by the Board on May 13, 2020)

(Amended and adopted by the Board on March 25, 2021)

**GENERAL PROVISIONS**

1. In order to strengthen the core competitiveness, improve the decision-making procedures of investment, enhance the scientific decision-making procedures, and refine the corporate governance structure of the Company according to the needs of strategic development of the Company, the strategy committee (the “**Committee**”) under the board of directors (the “**Board**”) was formed and these terms of reference were formulated in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Articles of Association of the Company (the “**Articles of Association**”).
2. The Committee is a special committee established under the Board and is responsible for providing advices and suggestions for decisions made by the Board and the chairman of the Board in relation to issues within the scope of authorization delegated by the Board, and shall be accountable and report to the Board.

**COMPOSITION OF THE COMMITTEE**

3. The Committee shall be composed of no less than three directors. The composition of the Committee and the Chairman of the Committee shall be decided by the Board. Upon the approval of the resolution for the election of members, the appointment of the newly-elected Committee member shall become effective immediately after such resolution of the Board takes effect.
4. The term of office of the members of the Committee shall be the same as that of the directors. A member of the Committee may serve consecutive terms if re-elected upon the expiry of his/her term of office. If any member serving as a director of the Company ceases to be a director of the Company during his/her term of office, he shall ipso facto and immediately cease to hold the position of the member of the Committee.
5. Member of the Committee may resign prior to the expiry of his/her term of office. Written resignation report shall include a statement of the reason for such resignation and if necessary, the matters that shall be brought to the attention of the Board.

6. Members of the Committee may be adjusted during their terms of office according to the recommendation of the chairman of the Board and upon the consideration and approval of the Board.
7. In the event that the number of members of the Committee falls below the quorum provided in these terms of reference, the vacancy shall be filled up in accordance with these terms of reference.

## **DUTIES OF THE COMMITTEE**

8. Principal duties of the Committee include:
  - (1) reviewing and making suggestions for the medium-to-long-term development strategies (including overall-strategies, human resources strategies, operation strategies, investment strategies and environmental, social and governance (“ESG”) strategies) and development plans and proposals of the Company, and to evaluate and monitor the implementation of such plans;
  - (2) reviewing and making suggestions for the annual operation plans and investment proposals of the Company;
  - (3) reviewing and making suggestions for major investments, financing and capital injection which are subject to the approval of the Board;
  - (4) reviewing and making suggestions for major business reorganization, acquisition, merger and asset transfer which are subject to the approval of the Board;
  - (5) reviewing and making suggestions for the expansion to new markets, launch of new businesses and research and development of new products of the Company;
  - (6) reviewing and making suggestions for any major reorganization and restructuring proposal of the Company;
  - (7) making suggestions for the development of the Company’s ESG objectives and monitoring the progress of their implementation;
  - (8) reviewing the development trends of the ESG industry as well as evaluating and making suggestions for major ESG-related decisions; and
  - (9) other duties as conferred by the Board.
9. Duties of the Chairman of the Committee include:
  - (1) to convene and chair the meetings of the Committee;
  - (2) to supervise and examine the operations of the Committee;
  - (3) to report to the Board on the operations of the Committee;

- (4) to ensure the effective operation and performance of duties of the Committee;
  - (5) other duties as requested by the Board.
10. The duty performance of the Committee shall comply with the Listing Rules, the Articles of Association and these terms of reference and shall not prejudice the interests of the Company and its shareholders.
  11. If necessary, the Committee may engage intermediary agencies to provide professional advice for its decision-making upon approval of the Board, and the reasonable expenses incurred thereby shall be borne by the Company.

#### **MEETINGS OF THE COMMITTEE**

12. The Committee shall meet at least once a year, with a written notice dispatched to all members three days prior to the meeting. In principle, meetings of the Committee shall be held in the form of on-site meeting. Upon approval of the Chairman of the Committee, meetings may be held by way of communication such as teleconference and video conference or through written proposals to be considered respectively. In case of emergencies or extraordinary circumstances, the aforesaid time and procedures of notice may be waived upon approval of the Chairman of the Committee, while the Chairman of the Committee shall explain accordingly at the meeting.
13. The office of the Board is responsible for notices and affairs of the meetings of the Committee. The notice of meeting shall specify, among others, the time, place, session, agenda and topics of the meeting and the date of notice.
14. Upon reception of the notice of meeting, members of the Committee shall give confirmation and provide relevant information (including but not limited to the availability of presence and schedule) in a timely and appropriate manner.
15. Quorum of the meetings of the Committee shall be at least two thirds of all members.

Members should be present in person at the meetings (physically attending or through means of communication). A member unable to be present in person may appoint another member of the Committee by the power of attorney as duly signed to attend and exercise relevant duties and powers at the meeting on his/her behalf. The power of attorney shall specify, among others, the names of the principal and the proxy, and the scope, authority and validity period of authorizations.

16. Any member failing to attend a meeting of the Committee in person without justifiable reasons for three times in succession shall be deemed as incapable of performing the duties for a member of the Committee, and is subject to replacement by the Board in accordance with these terms of reference.
17. A meeting of the Committee may be convened by any of its members through the company secretary of the Company.

18. For regular meetings and as far as practicable for all other meetings, an agenda and accompanying documents should be sent to all members of the Committee in a timely manner and at least three (3) days before the intended date of meeting (or such other period as the members may agree).

## **FREQUENCY AND PROCEEDINGS OF MEETINGS**

19. The Committee shall meet at least once a year, or at such frequency as required under the Listing Rules or other regulatory requirements applicable to the Company from time to time.
20. The Chairman of the Committee may convene additional meetings at his discretion.
21. The Committee shall report to the Board the findings and recommendations after each meeting of the Committee, unless there are legal or regulatory restrictions on its ability to do so.
22. Where the Board disagrees with the Committee's view on the strategic development matters of the Company, the Company should include in the corporate governance report a statement from the Committee explaining its recommendation and also the reason(s) why the Board has taken a different view.
23. Minutes of the Committee meetings should be kept by a duly appointed secretary of the meeting and should be open for inspection at any reasonable time on reasonable notice by any director.
24. Minutes of Committee meetings shall record in sufficient detail the matters considered by the Committee members and decisions reached, including any concerns raised by the Committee members and dissenting views expressed. Draft and final versions of minutes of the Committee meeting 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.

## **GENERAL**

25. These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements, including those under the Listing Rules.
26. The Committee should make available these terms of reference to the public, explaining its role and the authority delegated to it by the Board, by including them on the Hong Kong Exchanges and Clearing Limited news website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.simcere.com](http://www.simcere.com)).