

Sinopharm Group Co., Ltd.
Terms of Reference and Rules of Procedure of
Legal and Compliance and Environmental, Social and
Governance Committee
under the board of directors

Chapter 1 General provisions

Article 1 In order to promote and regulate the rule of law of Sinopharm Group Co., Ltd. (hereinafter referred to as the “Company”), and ensure the standard operation of the Company, the Company has established the Legal and Compliance and Environmental, Social and Governance Committee under the board of directors and formulated the Rules of Procedure in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Articles of Association and the relevant provisions. The Rules of Procedure shall comply with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time (hereinafter referred to as the “Listing Rules”), other applicable laws and regulations of the Hong Kong Special Administrative Region of the People’s Republic of China. In case of any inconsistencies, contraventions or conflicts arising between any applicable laws and regulations, the Articles of Association, the Listing Rules and the Rules of Procedure, the severest provisions shall prevail under the principle of severity.

Article 2 The Legal and Compliance and Environmental, Social and Governance Committee under the board of directors (hereinafter referred to as the “Committee”) is a special committee established under the board of directors and shall be accountable to the board of directors. It is mainly responsible for promoting the rule of law of the Company and guiding the Company's compliance management works. It is also responsible for promoting and guiding the Company’s performance related to environmental, social and corporate governance issues.

Article 3 The senior management referred to in the Rules of Procedure shall refer to the general manager, deputy general manager, secretary of the board of directors, joint secretaries of the Company, financial director, and general counsel engaged by the board of directors and other senior management members appointed by the board of directors.

Chapter 2 Composition

Article 4 The Committee shall comprise at least three directors. All members shall be elected by the board of directors and at least one of them shall have legal background.

Article 5 The Committee shall have one chairman upon election by its members, responsible for convening and presiding over the work of the Committee.

Article 6 The members shall have the same term of office as the directors. Upon expiry of their term, members may be re-elected.

No members may be removed from office without cause prior to the expiry of term of office save as the occurrence of circumstances that requires dismissal as stipulated in the Company Law, the Articles of Association or the Listing Rules.

During which if members no longer act as directors of the Company, they shall automatically lose their office as members and the board of directors shall fill the vacancy in accordance with the provisions under Article 4 to Article 5 above. The term of office of the replacing member shall expire simultaneously with his/her term as a director.

Article 7 Secretary of the board of directors shall be responsible for coordinating daily work and organising meetings for the Committee.

Chapter 3 Duties and powers

Article 8 The main duties and powers of the Committee are as follows:

- (i) discharge the responsibility in facilitating the rule of law, research and formulate plans for the implementation of the rule of law and report to the board of directors for review and approval;
- (ii) consider and review general goals and fundamental policies of legal and compliance management and make suggestions thereon;
- (iii) consider and review the system, establishment and responsibilities of legal compliance management and make suggestions thereon;

- (iv) oversee and evaluate the legal and compliance management of the Company, and review and monitor the Company's policies and practices on compliance with laws and regulatory requirements;
- (v) research and formulate the environmental, social and governance management approach, targets and strategies of the Company and report to the board of directors for review and approval;
- (vi) consider and review the environmental, social and governance management approach, targets and strategies of the Company and make suggestions thereon; evaluate the adequacy and effectiveness of the environmental, social and governance structure of the Company on a regular basis;
- (vii) identify the Company's risks and opportunities arising from environmental, social and governance issues;
- (viii) oversee and evaluate the Company's environmental, social and governance performance, review and monitor the progress toward relevant environmental, social and governance targets and report to the board of directors for review;
- (ix) review the observance of Appendix 14 "Corporate Governance Code" to the Listing Rules as well as the disclosure according to "Corporate Governance Report" by the Company;
- (x) review the observance of Appendix 27 "Environmental, Social and Governance Reporting Guide" to the Listing Rules by the Company, review the Company's annual Environmental, Social and Governance Report and report to the board of directors for review and approval;
- (xi) other matters stipulated in the Articles of Association or as authorized by the board of directors.

Article 9 The main duties and powers of the chairman of the Committee are as follows:

- (i) lead the Committee and ensure that the Committee operates effectively and performs its responsibilities;
- (ii) convene and preside over regular and interim meetings of the Committee;
- (iii) determine the agenda of each meeting of the Committee;

- (iv) ensure every proposal discussed by the Committee reaches a clear and definitive conclusion, including whether the proposal is passed, rejected, or deferred;
- (v) supervise and review the execution of the resolutions at meetings of the Committee;
- (vi) other powers and duties granted by the board of directors.

Article 10 The main duties and powers of the members are as follows:

- (i) attend the Committee meetings on time, express their opinions on matters deliberated at the meeting, and exercise their voting right in accordance with the provisions of the Rules of Procedure;
- (ii) propose subjects for discussion at the Committee meetings;
- (iii) attend or observe relevant meetings of the Company, conduct surveys and collect necessary reports, documents, materials and other relevant information for the purpose of discharging their responsibilities;
- (iv) fully understand the duties and responsibilities of the Committee and those of themselves as a member, acquaint themselves with relevant information on the operation and management, business activities and development of the Company to ensure their capacity for discharging duties and responsibilities;
- (v) fully ensure that they have sufficient working hours and energy to fulfil their duties and responsibilities;
- (vi) other functions and powers as specified herein.

Article 11 The Committee shall be provided with sufficient resources to enable it to perform its functions. Upon demand of the chairman or members of the Committee, the Legal and Compliance Department and other relevant departments of the Company shall provide the Committee with the background information, legal opinions and other materials relating to the proposal to be considered, and proactively cooperate with the Committee. The Environmental, Social and Governance Working Group or standing organizations shall provide the Committee with materials relating to the proposal to be considered, and proactively cooperate with the Committee.

Article 12 Upon consideration of such matters under the provisions of Article 10, resolutions shall be proposed and submitted to the board of directors of the Company together with the relevant resolutions and voting results of the meeting. Unless otherwise authorized by the

board of directors, the proposals raised by the Committee shall be submitted to the board of directors for review and approval.

Chapter 4 Rules and procedures of meeting

Article 13 Meetings of the Committee shall include regular meetings and interim meetings. Regular meetings shall be held at least once annually, whereas the convening of interim meetings shall be proposed by more than two members or the chairman. The board office of the Company shall give a notice to all members at least five days prior to the meeting and provide sufficient meeting materials, provided that such notice period may be waived with the unanimous consent of all members. The meeting shall be chaired by the chairman, and the chairman, if unable to attend, may appoint another member to act on his/her behalf.

Article 14 The chairman of the Committee shall sign and issue a notice of an interim meeting within three days upon receipt of the proposal from any of the following:

- (i) the board of directors;
- (ii) the chairman of the Committee;
- (iii) more than two members.

The board office shall provide all members with a notice of the interim meeting and relevant meeting materials three days prior to the interim meeting, provided that such notice period may be waived with the unanimous consent of all members.

Article 15 The meeting notice shall specify:

- (i) the venue, date, time and form of the meeting;
- (ii) the agenda and matters to be considered at the meeting, and other relevant information;
- (iii) the date of the notice.

Article 16 The meeting notice shall be dispatched by hand, mail (including email), fax, express mail or other ways pursuant to the Articles of Association.

Article 17 Meetings of the Committee shall be held only if more than two-thirds of the members are present. Each member shall have one vote. Resolutions of the meeting must be voted for by more than half of all members. In the case of an equality of votes, the chairman shall be entitled to one casting vote.

Article 18 Members of the Committee shall attend the meeting in person. Those who have appointed a proxy to attend and vote on his/her behalf shall submit the instrument of proxy to the chairman of the meeting. The latest time for submitting the instrument of proxy to the chairman of the meeting shall be prior to voting at the meeting.

Article 19 The Committee may vote on a show of hands or on a poll at the meetings. The Committee meetings may be held in the form of physical meetings or video meetings, teleconference or by aid of similar communication equipment. As long as such devices enable clear communication among all members attending the meeting, such members shall be deemed to have attended the meeting in person.

Article 20 Relevant members of the Committee shall abstain from voting in respect of resolution concerning the interests of such members at the meeting of the Committee.

Article 21 Written resolutions signed and agreed by all the members shall be deemed to be as effective as resolutions duly passed at a legally held Committee meeting. Such resolutions can consist of documents in counterparts, each having been signed by one or more of the members. Such resolutions can be signed or distributed by fax or other means of electronic communication.

Article 22 The Committee may invite other directors, supervisors and senior management members, and personnel from relevant departments of the Company to sit in on the meetings if it considers necessary.

Article 23 The Committee may engage intermediaries to provide professional advice for its decision-making if necessary and the reasonable expenses arising therefrom shall be borne by the Company.

Article 24 Upon authorization or approval of the board of directors, if the resolutions passed by the Committee need to be further implemented by senior management or other relevant persons in charge of the Company, the Committee shall have the right to require the above-mentioned persons to report on the progress of implementation within the specified period or at the next meeting.

Article 25 The procedures for convening the meeting, means of voting and resolutions passed at the meeting of the Committee shall comply with the relevant laws and regulations, the Articles of Association and the provisions of the Rules of Procedure.

Article 26 The Committee shall maintain complete minutes of the meeting where members attending the meeting shall sign on the minutes. The minutes shall be maintained by the secretary of

the board of directors of the Company.

Article 27 Members attending the meeting shall keep confidential of all matters discussed at the meeting. Save as otherwise provided by the laws, regulations and/or regulatory authorities, unauthorized disclosure of the relevant information shall be prohibited.

Chapter 5 Supplementary provisions

Article 28 Any matters not mentioned herein or any conflicts with any new or amended laws, regulations, provisions of the Listing Rules of the place where the Company is listed or the Articles of Association arising after the Rules of Procedure take effect shall be executed in accordance with the laws, regulations, provisions of the Listing Rules of the place where the Company is listed and the Articles of Association. The Terms of Reference of the Committee shall be updated or modified from time to time in accordance with the relevant laws, regulations, provisions of the Listing Rules of the place where the Company is listed and the Articles of Association.

Article 29 Unless otherwise specially specified, the terms used in the Rules of Procedure shall have the same meanings ascribed to them in the Articles of Association.

Article 30 The Rules of Procedure shall be formulated by the board of directors of the Company. The Rules of Procedure and the amendments hereto shall take effect immediately upon the approval from the board of directors of the Company.

Article 31 The right to amendment and interpretation of the Rules of Procedure shall be vested in the board of directors of the Company.