

# CHINA RESOURCES PHARMACEUTICAL GROUP LIMITED

(華潤醫藥集團有限公司)

(the “Company”)

*(Incorporated in Hong Kong with limited liability)*

## Director Nomination Policy

(the “Policy”)

(adopted on 17 December 2018)

### 1. Purpose

- 1.1 This Policy aims to set out the approach to guide the nomination committee of the Company (the “**Nomination Committee**”) in relation to the selection, appointment and re-appointment of the directors of the Company (the “**Directors**”).
- 1.2 This policy aims to ensure that the board of directors of the Company (the “**Board**”) has a balance of skills, experience, knowledge and diversity of perspectives appropriate to the requirements of the Company’s business.

### 2 Nomination Criteria

- 2.1 The Nomination Committee will assess, select and recommend candidate(s) for directorships to the Board by giving due consideration to criteria including but not limited to (collectively, the “**Criteria**”):
  - (a) reputation for character and integrity;
  - (b) accomplishment and experience in the relevant industries in which the Company’s business is involved and other professional qualifications;
  - (c) commitment for responsibilities of the Board in respect of available time and relevant interest;
  - (d) diversity in aspects including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service;
  - (e) contribution that the candidate(s) can potentially bring to the Board; and

(f) plans in place for the orderly succession of the Board.

The above Criteria are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

2.2 The Nomination Committee will evaluate and recommend retiring Director(s) to the Board for re-appointment by giving due consideration to the criteria including but not limited to:

(a) the overall contribution and service of the retiring Director(s) to the Company, including but not limited to the attendance of the meetings of the Board and/or its committees and general meetings where applicable, in addition to the level of participation and performance on the Board and/or its committees;

(b) the length of services of the retiring Director(s); and

(c) whether the retiring Director(s) continue(s) to satisfy the Criteria.

For the avoidance of doubt, (a) the nine-year period for determining the eligibility of an independent non-executive Director for nomination by the Board to stand for election at a general meeting would count from his/her date of first appointment as an independent non-executive Director until the date of the forthcoming annual general meeting when his/her current term of service will expire at the end of that meeting; and (b) an independent non-executive Director who has been serving on the Board for a period of nine consecutive years or more may continue to hold office until expiry of his/her current term.

2.3 In addition to the Criteria, the Nomination Committee will evaluate and recommend candidate(s) for the position(s) of the independent non-executive directors of the Company by giving due consideration to the factors including but not limited to those set out in Rules 3.10(2) and 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (as amended from time to time).

### 3 Procedures and Process for Nomination of Directors

3.1 The Nomination Committee will recommend to the Board for the appointment of a Director in accordance with the following procedures and process:

- (a) the Nomination Committee may consult any source it deems appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from third-party agency firm and proposals from shareholders of the Company with due consideration given to the Criteria;
- (b) the Nomination Committee may adopt any process it deems appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third party reference checks;
- (c) the proposed candidates will be asked to submit the necessary personal information for the Nomination Committee's consideration. The Nomination Committee may request the candidate(s) to provide additional information and documents, if considered necessary;
- (d) upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;
- (e) the Nomination Committee will provide the relevant information of the selected candidate to the remuneration committee of the Company (the "**Remuneration Committee**") for consideration of remuneration package of such selected candidate;
- (f) the Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment, and where a non-executive Director is considered, the Remuneration Committee will make the recommendation to the Board on the proposed remuneration package;
- (g) the Board may arrange for the selected candidate to be interviewed by the members of the Board who are not members of the Nomination Committee and the Board will thereafter deliberate and decide the appointment as the case may be; and

(h) all appointment of Directors will be confirmed by the filing of the consent to act as Director of the relevant Director (or any other similar filings requiring the relevant Director to acknowledge or accept the appointment as Director, as the case may be) to be filed with the Companies Registry of Hong Kong and updating the Register of Directors of the Company. The Director shall consent to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their appointment as a Director.

3.2 A shareholder can serve a notice to the Company within the lodgement period of its intention to propose a resolution to elect a certain person as a Director, without the Board's recommendation or the Nomination Committee's consideration and nomination, other than those candidates set out in the shareholder circular. The particulars of the candidates so proposed will be sent to all shareholders for information by a supplementary circular.

3.3 The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

#### **4 Monitoring and Reporting**

4.1 The Nomination Committee will assess and report on the composition of the Board in the Corporate Governance Report.

#### **5 Review of this Policy**

5.1 The Nomination Committee will review this Policy periodically to ensure that it is transparent and fair, remains relevant to the Company's needs and reflects the current regulatory requirements and good corporate governance practice. The Nomination Committee will discuss any amendments that may be required, and recommend any such amendments to the Board for consideration and approval.

#### **6 Disclosure of this Policy**

6.1 This Policy will be published on the Company's website.