



Shandong Boan Biotechnology Co., Ltd.

山东博安生物技术股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6955)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE OF THE BOARD

Chapter 1 General Provisions

- Article 1** Pursuant to the Company Law of the People's Republic of China, the Articles of Association of Shandong Boan Biotechnology Co., Ltd. (the "**Articles of Association**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and other relevant regulations, Shandong Boan Biotechnology Co., Ltd. (the "**Company**") has set up a nomination committee (the "**Nomination Committee**") under the board of directors (the "**Board**"), and hereby formulated these terms of reference, in an effort to optimize the procedures for appointment of the directors and senior management, rationalize the composition of the Board, and enhance corporate governance of the Company.
- Article 2** The Nomination Committee is a specific committee set up by the Board. Its main responsibilities are to select candidates for directors and senior management of the Company, determine the selection criteria and procedures therefor, and give recommendations thereon.

Chapter 2 Composition

- Article 3** The Nomination Committee shall comprise at least three (inclusive) directors, the majority of whom shall be independent non-executive directors.
- Article 4** Members of the Nomination Committee shall be nominated by the chairman/chairlady of the Board, more than half of the independent directors or one-third of all directors, and shall be elected by the Board.
- Article 5** The Nomination Committee shall have a chairperson (the "**chairperson**") to be served by the chairman/chairlady of the Board or an independent non-executive director. The chairperson shall preside over the work of the Nomination Committee and shall be appointed by the Board.

Article 6 The term of office of the Nomination Committee shall be the same as that of the Board. Each member of the Nomination Committee shall be eligible for re-election upon expiry of his or her term of office. During such period, if any member of the Nomination Committee ceases to be a director of the Company, his or her membership in the Nomination Committee shall lapse automatically, and the vacancy shall be filled by the person elected by the Board according to these terms.

Chapter 3 Duties and Authorities

Article 7 The Nomination Committee shall have the following primary duties and authorities:

- (I) to review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board at least once a year and to make recommendations to the Board on any proposed changes to the Board to implement the Company's strategies;
- (II) to extensively identify individuals qualified to serve as directors, and select and nominate relevant individuals to serve as directors, or advise the Board on such nomination;
- (III) to review the independence of the independent non-executive directors;
- (IV) to make recommendations to the Board on appointment or re-appointment of directors as well as the succession plan of directors, in particular that of the chairman/chairlady of the Board and the chief executive officer;
- (V) to review the diversity policy of the Board (the "**Board Diversity Policy**") as well as any measurable objectives for implementing such Board Diversity Policy as may be adopted by the Board from time to time and the progress on achieving such objectives, and to disclose the diversity policy or the highlights thereof in the corporate governance report;
- (VI) where the Board proposes to put forward a resolution to elect an individual as an independent non-executive director at the general meeting, it shall set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting the following details: (1) 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; (2) if the proposed independent non-executive director will be holding his or her seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board; (3) the views, perspectives, skills and experience that the individual can bring to the Board; and (4) how the individual contributes to the diversity of the Board;

- (VII) to report its decisions or suggestions to the Board, except where it is prohibited to do so under laws or regulatory requirements;
- (VIII) other requirements on the duties and authorities of the Nomination Committee according to the Listing Rules, as amended from time to time; and
- (IX) other duties and powers authorized by the Board.

Article 8 The Nomination Committee shall be accountable to the Board. The proposals provided by the Nomination Committee shall be submitted to the Board for consideration and approval. In the absence of sufficient reasons or reliable evidence, controlling shareholders shall give full respect to the recommendations provided by the Nomination Committee, otherwise they may not propose an alternate candidate for directors and senior management.

Chapter 4 Decision-making Process

Article 9 In accordance with the requirements under relevant laws and regulations, the Listing Rules and the Articles of Association, and in view of the actual condition of the Company, the Nomination Committee shall analyze the selection criteria, selection procedures and terms of office of directors and senior management of the Company to form a resolution and submit it to the Board for approval upon filing, and, if approved, implement the same accordingly.

Article 10 The selection procedures of directors and senior management are as follows:

- (I) the Nomination Committee shall actively communicate with the relevant departments of the Company to study the demand of the Company for new directors and senior management and to produce the result in writing;
- (II) the Nomination Committee may extensively identify candidates for directors and senior management within the Company and its controlling (investee) enterprises as well as in the labor market;
- (III) the Nomination Committee shall gather information about the occupation, education background, job title, detailed information in relation to the work experience and all the part-time positions of the preliminary proposed candidates, and to formulate written materials thereon;
- (IV) the nominee shall not be deemed as the candidate for director or senior management unless his or her consent for nomination is obtained;

- (V) the Nomination Committee shall convene a Nomination Committee meeting to review the qualifications of the candidates in accordance with the requirements for directors and senior management;
- (VI) the Nomination Committee shall make suggestion to the Board regarding the candidates for the director and senior management position and submit relevant information to the Board one to two months prior to the election of new directors and appointment of new senior management;
- (VII) the Nomination Committee shall carry out other follow-up work according to the decision of and feedback from the Board.

Chapter 5 Rules of Procedures

- Article 11** Members of the Nomination Committee can convene a meeting anytime when it is necessary.
- Article 12** A notice shall be given to all members three days before the date of a meeting of the Nomination Committee. The meeting shall be presided over by the chairperson of the Nomination Committee, and in case the chairperson is unable to attend, he or she may appoint another member of the Nomination Committee (the member should be an independent non-executive director) to preside over the meeting on his or her behalf. Such notice may be waived with the unanimous consent of all members of the Nomination Committee.
- Article 13** The quorum of a meeting of the Nomination Committee shall be not less than two-thirds of the members. Each member shall have one vote. A resolution of the meeting must be passed by more than half of all the members of the Nomination Committee.
- Article 14** A meeting can be attended in person or via telephone or video conferencing. 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). Resolutions of the Nomination Committee, if to be made at a meeting, shall be passed by more than half of its members present at such meeting.
- Article 15** The resolutions passed and signed by all members of Nomination Committee are also valid, and their validity shall be the same as any resolution passed at a meeting duly held by the Nomination Committee.
- Article 16** The Nomination Committee may invite directors, supervisors and other senior management of the Company to attend its meetings if necessary.
- Article 17** The Nomination Committee may, if necessary, engage an intermediary to provide professional advice on its decision-making at the cost of the Company.

- Article 18** The procedures for convening of a meeting of the Nomination Committee, its voting methods and resolutions to be passed at such meeting must comply with the provisions of relevant laws, regulations, the Listing Rules, the Articles of Association and these terms.
- Article 19** The Nomination Committee shall keep minutes of the meetings. Members present at the meetings shall sign the minutes of the meetings that shall be kept by the secretary of the Company.
- Article 20** Resolutions passed and voting results at a meeting of the Nomination Committee shall be reported in writing to the Board of the Company.
- Article 21** Members of the Nomination Committee present at a meeting shall keep confidential all matters discussed at the meeting and shall not disclose such information without authorization.

Chapter 6 Supplementary Provisions

- Article 22** These terms of reference shall come into effective and be implemented upon the initial public offering of the overseas-listed foreign shares of the Company and from the date of its listing and trading on The Stock Exchange of Hong Kong Limited. The Terms of Reference of the Nomination Committee of the Board of the Company that are currently in force shall automatically lapse from the effective date of these terms of reference.
- Article 23** In case of any inconsistency with the Chinese version of these terms, the Chinese version shall prevail.
- Article 24** For any matters not covered in these terms of reference, the relevant laws and regulations, the Listing Rules, other requirements of the Hong Kong securities regulatory authority, and the relevant provisions of the Articles of Association shall apply. If the relevant provisions of these terms contravene with the laws and regulations, the Listing Rules, other requirements of the Hong Kong securities regulatory authority and the Articles of Association as enacted or amended in the future, such relevant laws and regulations, the Listing Rules, other requirements of the Hong Kong securities regulatory authority, and the existing or revised Articles of Association shall prevail.
- Article 25** The power of interpretation of these terms shall be vested in the Board of the Company.