

CanSino Biologics Inc. 康希諾生物股份公司

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

TERMS OF REFERENCE FOR THE NOMINATION COMMITTEE OF THE BOARD

CHAPTER 1 General Provisions

Article 1 To standardize the nomination procedures of the directors and senior management of CanSino Biologics Inc. (the “**Company**”), enhance the composition of the board of directors of the Company (the “**Board**”), and enhance corporate governance structure, in accordance with the relevant laws, regulations and normative documents including the Company Law of the People's Republic of China (the “**Company Law**”), the Rules Governing the Listing of Securities on the STAR Market of the Shanghai Stock Exchange (the “**STAR Market Listing Rules**”), Guideline No. 1 – Self-regulatory Rules for Companies Listed on the STAR Market of the Shanghai Stock Exchange – Standardized Operations (the “**STAR Market Standardized Operations**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and, the Articles of Association of CanSino Biologics Inc. (the “**Articles of Association**”), the Company has established the Nomination Committee of the Board (the “**Committee**”) and formulated these Terms of Reference for the Nomination Committee of the Board of CanSino Biologics Inc. (the “**Terms of Reference**”) according to the practical situations of the Company.

Article 2 The Committee is a specific working group established by the Board, being mainly responsible for giving advice and recommendations to the Board regarding the selection of directors (including independent non-executive directors), general manager and other senior management of the Company and the selection criteria and procedures thereof.

Other senior management as referred to in these Terms of Reference refers to deputy general manager, secretary to the Board, person in charge of finance and other personnel expressly appointed by the Board as the Company's senior management.

CHAPTER 2 Composition of Committee

Article 3 The Committee shall comprise at least three directors and the total number of members of the Committee shall be an odd number. The majority of the members of the Committee shall be independent non-executive directors.

Article 4 Members of the Committee shall be nominated by the Chairman of the Board or jointly by at least one-third of members of the Board, and shall be elected by more than half of directors of the Board.

Article 5 The Committee shall have a convener, or chairman, who shall be an independent non-executive director. The chairman of the Committee shall be appointed by the Board and shall oversee the operation of the Committee. When the chairman of the Committee is unable to or fails to discharge the duty, an independent non-executive director shall be elected by at least one half of the members of the Committee to act in his stead. The newly-appointed member shall commence his term of office immediately after the conclusion of the meeting of the Board upon approval of the proposal for such election.

Article 6 The term of office of the Committee shall be consistent with that of the Board. Each member of the Committee shall be eligible for re-election upon completion of his term of office. During his term of office, if any member of the Committee ceases to be a director, or any member of the Committee as an independent non-executive director ceases to have the independence as required under the Articles of Association, the STAR Market Listing Rules and the Hong Kong Listing Rules, his membership in the Committee shall lapse automatically. A member of the Committee may submit his resignation report in writing to the Board prior to the expiry of his term of office to resign from his existing position. The resignation report shall contain such reasons for resignation and matters which require attention of the Board as necessary. Upon the loss of qualification or approval of resignation, the position(s) vacated by such member(s) shall be filled by the Board according to the relevant laws, regulations, normative documents and provisions of Articles 3 to 5 above. A member of the Committee shall not, before the expiry of his term of office, be removed from office without cause except for the situations specified in the Company Law, Articles of Association, the STAR Market Listing Rules or the Hong Kong Listing Rules.

The secretary to the Board shall be responsible for the Committee's daily communication, arrangement of meetings and implementation of the relevant resolutions.

CHAPTER 3 Duties and Authorities

Article 7 The specific duties of the Committee include:

- (1) To propose the criteria and procedures for selecting directors, general manager and other senior management and make recommendations thereon to the Board. Factors to consider include but not limited to gender, age, culture, education background, and experience of occupation;
- (2) To identify candidates for directorship and recommend candidates to the Board;
- (3) To review the candidates running for the positions of general manager and other senior management of the Company and make recommendations thereon;
- (4) To review the independence of the independent non-executive directors;
- (5) To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to align with the corporate strategy, to assess the structure of the committees under the Board, recommend directors to serve as members of the relevant committees, and submit to the Board for approval;
- (6) To establish the plan for reserving potential directors and senior management and make updates from time to time;
- (7) To assess the working situation of directors, and provide opinions and recommendations regarding any change, reappointment or succession of directors based on the result of assessment;
- (8) To review and implement the policy on board diversity adopted by the Board from time to time, and to review the progress on achieving the objectives, to review the implementation and effectiveness of the policy on board diversity on an annual basis and make disclosure of the review results in the annual report of the Company;
- (9) To deal with other matters as authorized by the Board.

Where the Board does not adopt or fully adopt the recommendations of the Committee, the opinions of the Committee and the specific reasons for non-adoption shall be recorded in the board resolution and disclosed.

Article 8 The Committee may exercise any authority conferred by the Board at such time as it considers necessary. The Committee may, as it considers necessary, engage headhunting firms to assist in searching competent candidates for directors and senior management. The duration and costs of service provided by the aforesaid agencies shall be determined by the Committee and the costs shall be borne by the Company.

Article 9 The Committee shall be accountable to the Board. The recommendations provided by the Committee shall be submitted to the Board for consideration and approval, among which, resolutions on the nomination of candidates for directors shall, upon consideration by the Board, be submitted to the general shareholders' meeting for consideration and approval prior to implementation.

CHAPTER 4 Working Procedures

Article 10 As the day-to-day working group of the Committee, the Board Office shall be responsible for the preliminary preparation work of the meetings of the Committee and assist in preparing relevant materials.

Article 11 The selection procedures of directors and senior management are as follows:

- (1) The Board Office and the Committee shall actively communicate with the relevant departments of the Company to assess the demand of the Company for new directors and senior management, and come up with written materials;
- (2) The Committee may extensively identify candidates for directors and senior management within the Company, its holding (associate) enterprises as well as in the recruitment market;
- (3) The Committee shall collect and obtain information of the occupation, education background, job title, detailed working experience and all the part-time positions of the initially proposed candidates and come up with written materials;
- (4) To seek for the written consent from the nominee on the proposed nomination; otherwise, he shall not be considered as candidate for the office of directors, general manager and other senior management;
- (5) To convene a meeting of the Committee to review the qualifications of the initially proposed candidates according to the job requirements of directors, general manager and other senior management;

- (6) To submit proposals and the relevant materials to the Board in respect of candidates for directors and senior management within a reasonable period of time prior to the election of new directors and senior management;
- (7) To carry out other follow-up work according to the decision and feedback of the Board.

CHAPTER 5 Rules of Procedures

Article 12 A meeting of the Committee may be convened as the chairman of the Committee deems it necessary, by the proposal of at least half of the members of the Committee or upon recommendation of the Chairman of the Board.

Article 13 A meeting of the Committee shall be called up by and the notice of meeting shall be signed by the chairman of the Committee, and the notice and materials for the meeting shall be delivered to all members of the Committee three days prior to convening the meeting. Upon unanimous consent of all members of the Committee, the requirement of such prior notice period may be exempted.

Article 14 A meeting of the Committee shall be presided over by the chairman of the Committee, in whose absence another independent non-executive director under the authorization of the chairman of the Committee may preside over the meeting in his stead.

Article 15 The quorum for a meeting of the Committee is at least two thirds of the total members of the Committee. Members who cannot attend the meeting may authorize, in writing, other members to attend and vote on his behalf. The form of proxy, containing the name of the proxy, the matters delegated, the scope of authorization and the validity period of such authorization, and signed or stamped by the appointer, shall be submitted to the president of the meeting no later than the time when voting takes place in the meeting.

Resolutions proposed at the meeting shall be passed by the affirmative votes of more than half of the members of the Committee. The respective resolutions or opinions shall be signed by members who attend such meeting of the Committee. Each member of the Committee shall have one vote. Voting decisions include “For”, “Against” and “Abstain”. Where the respective votes for and against a resolution are equal in number, the chairman of the Committee shall be entitled to have an additional vote.

Article 16 Meetings of the Committee may be convened in such appropriate forms as onsite meetings, telephone conference, video conference, circulation of documents, fax, mail etc.

Article 17 Where necessary, a director and senior management may be invited to attend a meeting of the Committee.

Article 18 Where necessary, the Committee may engage agencies to provide professional advice on its decision-making, at the cost of the Company.

Article 19 The convening procedures, voting method and passing of resolutions of the meetings of the Committee shall be in compliance with relevant laws and regulations, the Articles of Association and these Terms of Reference.

Article 20 Minutes of meetings of the Committee held on site shall be prepared, on which members present at the meeting shall sign. Minutes of meetings of the Committee shall be kept by the secretary to the Board.

All the documents, reports, resolutions and meeting minutes of the Committee shall be kept as company records by the Board Office of the Company for a period of not less than ten years and shall be accessible with the consent of the convener of the Committee.

Article 21 The Committee shall draw clear and definite conclusions on resolutions considered, including approvals, disapprovals or awaiting supplemental information for further consideration. Resolutions passed at the meetings of the Committee and the voting results shall be reported in writing to the Board for its consideration.

Article 22 Members of the Committee present at the meetings, and those present as observers, shall owe a duty of confidentiality as regards matters discussed during such meetings. No disclosure of such information shall be allowed, save as is otherwise stipulated under relevant laws, regulations and/or rules of regulatory authorities.

CHAPTER 6 Avoidance System

Article 23 When a member of the Committee or his direct relatives, or any companies controlled by the member of the Committee or his direct relatives have direct or indirect interests in the matters to be discussed at meetings of the Committee, such member shall disclose the nature and degree of such interests to the Committee as soon as possible.

Article 24 Upon occurrence of the above situation, the interested member shall provide detailed explanation of the situation at meetings of the Committee and shall abstain from voting. However, if other members of the Committee, after consideration, unanimously agree that such interests would have no material influence on matters to be voted on, the interested member may vote.

Where the Board considers it improper for the aforesaid interested member to vote, it may revoke the voting results of the relevant resolution and request members with no interest to re-vote.

Article 25 Provided that the interested member is not counted in a quorum of meetings of the Committee, the Committee shall consider and decide on the relevant resolution. In the event of a meeting of the Committee at which a quorum is not present after excluding such interested member, all members of the Committee (including the interested member) shall resolve upon the procedural matters regarding submission of the resolution to the Board for approval, and the Board shall consider such resolution accordingly.

Article 26 Minutes of meetings of the Committee and resolutions passed at the meetings shall clearly state that the interested member in the resolutions passed had not been counted in a quorum and did not participate in voting on such resolutions.

CHAPTER 7 Supplementary Provisions

Article 27 “At least” and “within” as referred in these Terms of Reference include the number, and the words “more than half” do not include the number itself.

Article 28 These Terms of Reference shall take effect and be implemented from the date of approval by the Board. Any amendment or interpretation of these Terms of Reference shall be done by the Board.

Article 29 Any matters not covered herein shall be implemented in accordance with the relevant laws and regulations, relevant regulatory provisions of the place(s) where the shares of the Company are listed, such as the STAR Market Listing Rules, the Hong Kong Listing Rules and the Articles of Association. Where these Terms of Reference conflict with any relevant laws and regulations, relevant regulatory provisions of the place(s) where the shares of the Company are listed including the STAR Market Listing Rules, the STAR Market Standardized Operations, the Hong Kong Listing Rules, or the Articles of Association, such relevant laws and regulations, relevant regulatory provisions of the place(s) where the shares of the Company are listed including the STAR Market Listing Rules, the Hong Kong Listing Rules, and the Articles of Association shall prevail, in which case these Terms of Reference shall be amended forthwith and submitted to the Board for consideration and approval.

Note: If there is any inconsistency between the English and Chinese versions of these Terms of Reference, the Chinese version shall prevail.