

FOSUN PHARMA

复星医药

上海復星醫藥(集團)股份有限公司
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*

(the “Company”)

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

Terms of Reference and Implementation Rules of the Audit Committee under the Board of Directors

Chapter 1 General Provisions

Article 1 In order to achieve the sustainable, regulated and health development of the Company, further improve the efficiency of corporate governance, improve the scientific nature in the decision making of the board of directors, enhance the efficiency of significant decisions and the standard of decision making, conduct a professional audit in advance, ensure the independence and effective control of the Company’s business management and financial position by the board of directors and achieve the effective supervision of the management, the Company has established the Audit Committee under the board of directors and has formulated the Rules in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Code of Corporate Governance for Listed Companies in China, the Article 17 of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (hereinafter referred to as the “SSE Listing Rules”), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “SEHK Listing Rules”) and other relevant regulations.

Article 2 The Audit Committee is a special body established by the board of directors pursuant to the resolution of the general meeting, mainly responsible for the communication, supervision and verification of the audit of the Company, internal and external.

Chapter 2 Composition

Article 3 The Audit Committee shall consist of three independent directors, who shall not hold any management position in the Company, and the majority of them shall be independent non-executive directors. At least one of the members shall be an independent non-executive director who is an accounting professional.

A former partner of the Company entering into a fiduciary relationship shall be prohibited from acting as a member of the Audit Committee for a period of 2 years from the date of the prohibition:

- (1) to be a partner of the firm; or
- (2) to have an financial interest in the firm, directly or indirectly.

Article 4 Members of the Audit Committee shall be nominated by the chairman of the board of directors, more than one-half of the independent non-executive directors or more than one-third of all directors. The election and removal of members shall be passed by a majority vote of the members of the board of directors.

Article 5 The Audit Committee shall have one chairman (convenor), who shall be an independent non-executive director member with professional accounting background, eligible for re-election by the board of directors. The chairman of the committee shall be elected and removed by a majority vote of the members of the board of directors.

Article 6 The Audit Committee shall have the same term of office as the board of directors. The term of office of members is renewable upon re-election. During which if members no longer act as directors of the Company, they shall automatically lose their office as members from the date of resignation. Members may apply to the board of directors for re-election in writing prior to the end of their term of office. The board of directors shall, after each member has lost their office on the resignation of each member has been approved, fill the vacancies in accordance with the election provisions of the Rules.

Article 7 The Audit Committee may establish an advisory department or organization to take care of daily operations. The advisory department is eligible for the implementation of internal audit according to the annual work plan approved by the Audit Committee. The advisory department shall report to the Audit Committee in a timely manner in the event, has an material matters regarding internal audit identified. If necessary, a meeting of the Audit Committee may be convened through proposing to the chairman of the Audit Committee. The Audit Committee may have one secretary to assist the chairman of the committee in his daily work, eligible for daily liaison and meeting arrangements.

Chapter 3 Duties and Powers

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

(1) Relationship with the external auditor of the Company

- i. to be primarily responsible for making recommendations to the board of directors on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and an extension of its resignation or dismissal;
- ii. to oversee and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee holds discussions with the external auditor, the nature and scope of the audit and reporting obligations before the audit commences;
- iii. to develop and implement policies on engaging an external auditor, to appoint non-audit services. For this purpose, "external auditor" includes an entity, having in common control, ownership or management with the audit firm or an entity, having a reasonable and informed third party, knowing all relevant information, could reasonably conclude to be part of the audit firm nationally or internationally; and
- iv. the Audit Committee holds reports to the board of directors, identifying and making recommendations on any matters where action or improvement is needed.

(2) Review of the Company's financial information

- i. to monitor integrity of the Company's financial statements and annual reports and accounts, half-yearly reports and special reports, and to oversee significant financial reporting judgments contained in them. In reviewing the Company's annual reports and accounts, half-yearly reports and special reports before submission to the board of directors, the Audit Committee holds formal discussions:
 - (a) any change in accounting policies and practices;
 - (b) major judgments made;
 - (c) significant adjustments relating to the audit;
 - (d) the going concern assumption and any qualifications;

(e) compliance with accounting standards; and

(f) compliance with the SSE Listing Rules, the SEHK Listing Rules and legal requirements in relation to financial reporting.

(3) In regard to the above, the Audit Committee shall perform the following procedures:

i. members of the Audit Committee hold liaisons with the board of directors and senior management and the Audit Committee members, at least once a year, with the external auditor; and

ii. the Audit Committee should consider any significant internal issues that arise, or may need to be, reflected in the reporting and accounting, it should give due consideration to any matter that has been raised by the Company's staff or employees for the internal accounting and financial reporting function of the external auditor.

(4) Oversight of the Company's financial reporting, risk management and internal control systems:

i. oversee the Company's financial control, risk management and internal control systems;

ii. conduct the risk management and internal control systems with management, ensure that management has performed its duties effectively. This division should include the adequacy of resources, qualifications and competence, training program and budget of the Company's accounting and financial reporting function;

iii. consider major irregularities or findings on risk management and internal control matters as delegated by the board of directors or on its own initiative and management's response to the findings;

iv. ensure coordination between the internal and external auditor, and ensure that the internal auditor's function is adequately resourced and has appropriate standing within the Company, and oversee and monitor the effectiveness of the internal auditor's function (including its systems, implementation and effectiveness);

v. oversee the Company's financial and accounting policies and practices;

vi. oversee the external auditor's management letter, any material issues raised by the external auditor's management about accounting records, financial accounting or systems of control and management's response;

vii. ensure that the board of directors will provide a timely response to the issues raised in the external auditor's management letter;

- iii. to evaluate arrangements by which employees can, in confidence, raise concerns about possible opportunities in financial reporting, internal controls or the market. The Audit Committee should ensure that the Company has appropriate arrangements in place for fair and independent evaluation of the market and for appropriate follow-up action;
 - iv. to act as the key representative body for overseeing the Company's relationship with the external auditor.
- (5) Corporate Governance:
- i. to develop and evaluate the Company's policies and practices on corporate governance;
 - ii. to evaluate and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
 - iii. to develop, evaluate and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
 - iv. to evaluate the Company's compliance with the corporate governance code and disclose it in the Corporate Governance Report.
- (6) Supervise the conduct of directors and senior management in the performance of their duties, and promote the removal of non-employee directors or senior management who violate the administrative regulations, the Articles.
- (7) Review directors or senior management's economic action and judge the Company's interests.
- (8) Promote convening extraordinary shareholders' meetings, and convene and preside over the general meeting when the Board fails to fulfill its obligation to convene and preside over each meeting as stipulated under the Company Law.
- (9) Refer to the proposal to the general meeting.
- (10) Initiate legal proceedings against directors and senior management in accordance with the provisions of Company Law.

(11) The Audit Committee shall report to the board of directors on all the above matters, and consider and handle matters related to the and regulation, the Article and another matter proposed to the Audit Committee by the board of directors.

The Audit Committee is responsible for reviewing the Company's financial information and disclosure, and supervising and evaluating internal and external audit and internal control. The following matters shall be submitted to the board of directors for consideration in the approval of a majority of the Audit Committee:

- (1) disclosure of financial information in financial accounting reports and periodic reports, annual internal control evaluation reports;
- (2) appointment or dismissal of the accounting firm, handling the Company's audit;
- (3) appointment or dismissal of the Company's financial office;
- (4) change in accounting policies and accounting estimates, correction of material accounting errors made for reasons other than change in accounting standards;
- (5) other matters stipulated by the laws, administrative regulations, the securities regulations and other regulations of the place where the Company has established and the Article.

Article 9 The Audit Committee is accountable to the board of directors and is proposed election shall be submitted to the board of directors for consideration and decision.

Article 10 The audit department is primarily responsible for the Company's internal audit and internal control activities.

- (1) The scope of internal audit includes:
 - i. risk management and internal control audit;
 - ii. economic liability audit (including litigation audit);
 - iii. investment business audit (including long-term investment, construction projects and fixed assets investment and financial investment, investment, etc.);
 - iv. compliance audit;
 - v. operational audit; and
 - vi. other audit matters.

(2) The scope of internal control arrangements include:

lead and organise the internal control arrangements of the Company and its subsidiaries.

Chapter 4 Decision-making Procedures

Article 11 The Secretary of the Audit Committee shall be responsible for undertaking proper preparation of the decision making by the Audit Committee, and providing relevant information of the Company, including but not limited to:

- (1) relevant financial reports of the Company;
- (2) the reports of internal and external audits;
- (3) external audit contracts and relevant reports;
- (4) the quality of the Company's external disclosure of information;
- (5) the reports of the Company's significant related/connected parties (ie) an action;
- (6) the audit matters related by the board of directors.

Article 12 The Audit Committee shall consider reports provided by the Secretary of the Audit Committee and shall submit relevant information and materials to the board of directors for discussion, the content of which shall include but not limited to:

- (1) evaluating the reports of external audits and their appointment and replacement;
- (2) assessing the effective implementation of the Company's internal audit system and the fulfillment of the Company's financial reports;
- (3) assessing the objectives and fulfillment of financial information disclosed by the Company in its financial reports and regulatory reports and the Company's compliance with relevant laws and administrative regulations in significant related/connected parties (ie) an action;
- (4) evaluating the reports of the Company's finance and audit departments, including their performance;
- (5) other relevant matters.

Chapter 5 Rules of Procedures

- Article 13 Meeting of the Audit Committee shall include regular meeting and interim meeting. Regular meeting shall be convened at least once a year. Interim meeting may be convened upon proposal of any member or if deemed necessary by the convenor. Notice of meeting of the Audit Committee shall be made to all members in the agenda prior to the meeting. The meeting shall be presided over by the chairman of the committee and the chairman, if unable to attend, may appoint another independent non-executive director to preside over the meeting.
- Article 14 Meeting of the Audit Committee shall be held by more than a quorum of the members attending the meeting. Each member of the Audit Committee shall have one vote for an ordinary resolution. Resolutions adopted by the Audit Committee shall be passed by more than one-half of all members (excluding members present at the meeting).
- Article 15 The Audit Committee may vote on a show of hands or on a poll at the meeting. Meeting may be convened in the form of communication over the telephone, provided that the members may still express their opinion.
- Article 16 The secretary of the Audit Committee may sit in on the meeting of the committee. The committee may in the director, person in charge of finance and administration management of the Company who are not members or sit in on the meeting if it considers necessary, provided that those who are not members do not have voting rights over the resolution.
- Article 17 The Audit Committee shall be provided with sufficient expertise (including the expertise for seeking independent legal and professional advice) to perform its duties. Relevant departments of the Company shall give cooperation and the expenses incurred shall be borne by the Company.
- Article 18 The procedure for convening the meeting, manner of voting and resolution passed at the meeting of the Audit Committee shall comply with the relevant laws, administrative regulations, regulations, provisions of the place where the Company has established, the Articles and the provisions of the Rules.
- Article 19 Meeting of the Audit Committee shall be recorded in the minutes in accordance with the relevant regulations, and the members attending the meeting shall sign on the minutes. The minutes shall be maintained by the secretary of the board of directors.
- Article 20 Resolutions and voting records adopted at the meeting of the Audit Committee shall be reported to the board of directors in writing.
- Article 21 Members attending and sitting in on the meeting shall keep confidential of all matters disclosed at the meeting. Disclosure of the relevant information in violation of the authority of the board of directors shall be prohibited.

Chapter 6 Supplementary Provisions

- Article 22 In case of an item has not been covered in the Rules, or in the event of a conflict with the provisions of laws, administrative regulations, departmental rules, the provisions of the local government or a higher level of the Company has prevailed, the Article and other regulations, the laws, administrative regulations, departmental rules, the provisions of the local government or a higher level of the Company has prevailed, the Article and other regulations shall govern.
- Article 23 The Rules shall take effect from the date of consideration and approval by the board of directors, and the same shall apply when they are amended.
- Article 24 The right of interpretation of the Rules shall be vested in the board of directors.

Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*

24 June 2025

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

* For identification purpose only