

# **TYK Medicines, Inc**

## **TERMS OF REFERENCE OF THE NOMINATION COMMITTEE OF THE BOARD OF DIRECTORS**

### **Chapter 1 General Provisions**

**Article 1** In order to regulate the election of directors and senior management of the Company, the board of directors (the “**Board**”) of the Company has established the nomination committee (the “**Nomination Committee**” or the “**Committee**”) and formulated the Terms of Reference in accordance with the relevant regulations of the Company Law of the People’s Republic of China (hereinafter referred to as the “**Company Law**”), the Securities Law of the People’s Republic of China, the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies, No. 1 Guideline on the Application of Regulatory Rules – Overseas Issuance and Listing, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Listing Rules**”) and other relevant laws, administrative regulations, departmental rules, regulatory documents and the Articles of Association of TYK Medicines, Inc (hereinafter referred to as the “**Articles of Association**”).

**Article 2** The Nomination Committee is a dedicated body established by the Board, which is accountable to the Board and is mainly responsible for providing opinions and recommendations to the Board on the selection of candidates for directors (including independent non-executive directors) and senior management of the Company.

### **Chapter 2 Composition**

**Article 3** The Nomination Committee shall consist of at least three directors, with a majority of independent non-executive directors. The Nomination Committee has one chairman who shall be the Chairman of the Board or an independent non-executive director among the members and shall be elected by more than half of the members of the Board.

The chairman shall preside over the work of the Committee, convene and chair the Committee meetings. The chairman, in case of failure or inability to perform his/her duties, shall designate a member of the Committee, who serves as an independent non-executive director, to act on his/her behalf. If the chairman neither performs his/her duties nor designates other members to act on his/her behalf, any member shall report relevant information to the Board of the Company, and the Chairman of the Company shall designate a member of the Committee, who serves as an independent non-executive director, to act on his/her behalf.

The chairman shall attend the annual shareholders’ general meetings of the Company and answer shareholders’ questions on the activities and responsibilities of the Nomination Committee. If the chairman is unable to attend the annual shareholders’ general meeting of the Company, he shall arrange for another member of the Nomination Committee, who serves as an independent non-executive director, to attend the meeting. Such person shall be prepared to answer shareholders’ questions about the work of the Nomination Committee at the annual shareholders’ general meetings.

**Article 4** The nomination of members of the Nomination Committee shall include the following three methods:

- (1) nominated by the Chairman of the Company;
- (2) nominated by more than half of the independent non-executive directors;
- (3) nominated by more than one-third of all directors.

The appointment of members of the Nomination Committee shall be subject to approval of the Board.

**Article 5** Members of the Nomination Committee must meet the following conditions:

(1) having not fallen into the categories where a person shall not serve as a director, supervisor or senior management in accordance with the Company Law, the Articles of Association or the Hong Kong Listing Rules;

(2) having not been deemed as inappropriate candidates by the stock exchange within the last three years;

(3) having not been subject to administrative penalty by China Securities Regulatory Commission due to gross violation of laws and regulations within the last three years;

(4) possessing good moral character, being familiar with the industry in which the Company operates, possessing certain macroeconomic analysis and judgment ability and other relevant expertise or working background;

(5) other conditions required by relevant laws, regulations or the Articles of Association.

A person who does not conform to the qualifications prescribed in the preceding article shall not be elected as a member of the Nomination Committee. A member of the Nomination Committee who does not conform to the qualifications prescribed in the preceding article during his/her term of office shall resign on his/her own initiative or be replaced by the Board.

**Article 6** The term of office of the Nomination Committee shall be identical to that of the Board. A member may be re-elected upon the expiration of his/her term of office. A member of the Nomination Committee shall not be removed without cause prior to the expiration of his/her term of office unless he/she is prohibited from holding office under the Company Law, the Hong Kong Listing Rules, the Articles of Association or the Terms of Reference.

**Article 7** The member of the Nomination Committee may resign before the expiration of the term of his/her office, and shall submit a written resignation report to the Board, which cannot take effect unless approved by the Board. Additionally, the original members shall perform related duties in accordance with the Terms of Reference before the by-elected members take office.

In the event that the number of the Committee member shall fall below two-thirds of the required number due to resignation by or removal of members or such other reasons, the Board of the Company shall promptly supplement new candidates. The Committee shall suspend performance of its duties pursuant to the Terms of Reference until the number of the Committee member is restored back to two-thirds of the required number.

### **Chapter 3 Duties and Authorities**

**Article 8** The main duties and authorities of the Nomination Committee include:

- (i) 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 complement the Company's corporate strategy;
- (ii) to make recommendations to the Board on the size and composition of the Board in line with the operations, size of assets and structure of shareholding of the Company;
- (iii) to review the standards and procedures for the selection of the directors and senior management and make recommendations to the Board in respect thereof;
- (iv) to conduct an extensive search of qualified candidates for the directors and senior management, identify individuals suitably qualified to become directors and select and nominate such individuals as the directors or make recommendations to the Board in respect thereof;
- (v) to review the qualification of the candidates for the directors or senior management and make recommendations to the Board in respect thereof;
- (vi) to assess the independence of independent non-executive directors;
- (vii) to make recommendations to the Board on the appointment or re-appointment of directors and succession plan for directors, in particular the Chairman of the Board and the chief executive officer;
- (viii) other duties and authorities as authorized by the Board.

**Article 9** The Nomination Committee shall be accountable to the Board and submit its proposals to the Board for review and approval.

The members of the Nomination Committee shall undertake the duties of loyalty and diligence towards the Company in accordance with laws, regulations and the Articles of Association. The reports and resolutions made by the Nomination Committee shall comply with the requirements of laws, regulations and the Articles of Association. The Board has the power to veto reports or resolutions made by the Nomination Committee that do not comply with the laws, regulations and the Articles of Association.

## **Chapter 4 Decision-making Procedures**

**Article 10** The Nomination Committee shall study the qualification criteria, selection procedures and terms of office of directors and senior management of the Company in accordance with the applicable laws and regulations and the Articles of Association based on the actual situation of the Company, and make recommendations to the Board.

**Article 11** The procedures for selection and review of director candidates and senior management candidates by the Nomination Committee are as follows:

- (1) actively communicating with the Company's shareholders and relevant departments of the Company, and study the Company's needs for directors and senior management;
- (2) extensively searching for candidates for directors and senior management within the Company, its holding (associate) enterprises and the employment market;
- (3) collecting and fully understanding the occupation, education, professional title, detailed work experience and all part-time jobs of initial candidates;
- (4) seeking the opinions of initial candidates regarding the nomination; if they do not agree, they shall not be considered as candidates for directors or senior management;
- (5) convening the meetings of the Nomination Committee to review the qualifications of the candidates for directors and senior management based on their qualifications;
- (6) submitting to the Board its proposals and information on the candidates for directors and senior management prior to the election of new directors and the appointment of new senior management;
- (7) carrying out other follow-up work according to the decision of the Board and the feedback.

## **Chapter 5 Rules of Procedures**

**Article 12** Meetings of the Nomination Committee may be convened from time to time upon being convened by the chairman or proposed by non-chairman Committee members. If a proposal is made by non-chairman Committee members, the chairman shall convene a meeting within 5 days after receipt of the proposal. Meetings of the Nomination Committee are chaired by the chairman. Meetings of the Nomination Committee shall be held only if more than half of the members are present.

**Article 13** Notice of the meeting of the Nomination Committee may be given by: fax, telephone, e-mail, mobile phone text messages, personal delivery, written notice, but the meeting materials should be ensured to be delivered at the same time; the notice should be delivered no less 3 days before the meeting; however, in the event of an emergency, after confirming that all the persons who should participate in the meeting have received the notice of the meeting, the meeting may be convened at any time on an ad-hoc basis. The notice of meeting includes the following contents:

- (1) the date and place of the meeting;
- (2) the reasons for and agenda of the meeting;
- (3) the date of issuance of notice.

The meeting materials of the Nomination Committee shall be sent to all members and relevant participants at the same time with the meeting notice.

**Article 14** Meetings of the Nomination Committee shall be attended by members of the Nomination Committee in person. If a member is unable to attend for any reason, he/she may appoint another member in writing to attend on his/her behalf, and the proxy appointed should be a member of the Committee, who serves as an independent non-executive director. A form of proxy shall be signed or sealed by the authorizer with the name(s) of the proxy(ies) and the matters, scope, and validity period of the authorization being specified. The authorized member shall exercise his/her rights within the scope of authorization. A member who fails to attend a meeting of the Nomination Committee and fails to appoint a proxy to attend the meeting shall be deemed to have waived his/her right to vote at such meeting.

**Article 15** The Nomination Committee's meeting should only be convened with the attendance of two-thirds or more of the members. Each member shall be entitled to one vote and the resolutions adopted in the meeting must be approved by more than half of all members.

**Article 16** A meeting of the Nomination Committee may be convened on site, and resolutions shall be voted on by show of hands or by poll and signed by the members participating in the meeting. A meeting of the Nomination Committee may also be held by means of communication or online on the condition that members can fully express their opinion, and resolutions are signed by the members participating in the meeting.

**Article 17** Directors, supervisors and senior management of the Company may be invited to attend the meetings of the Nomination Committee when necessary.

**Article 18** The Company shall provide sufficient resources to the Nomination Committee to perform its duties. The Nomination Committee shall seek independent professional advice at the expense of the Company if necessary in the performance of its duties.

**Article 19** Minutes of the meetings of the Nomination Committee shall be kept. Minutes of the meeting shall record in sufficient detail the matters considered and the decisions reached at the meeting, and shall include any concerns raised or dissenting views expressed by the directors. Draft and final versions of the minutes of the meeting shall be sent to all members within a reasonable period of time after the meeting for comments and record, and shall be signed by the members present at the meeting. The minutes of the meeting shall be kept by the secretary to the Board. Minutes of such meetings shall be open for inspection at any reasonable time by any director upon reasonable notice.

**Article 20** The resolutions passed and the poll results in the Nomination Committee's meeting shall be reported in writing to the Board of the Company.

**Article 21** All members present at the meeting, and those present as observers, shall be under an obligation of confidentiality with respect to the matters discussed at the meeting and shall not disclose the relevant information without authorization, nor shall they make use of the insider information to gain benefits for themselves or others.

## Chapter 6 Supplementary Provisions

**Article 22** The Board of the Company is responsible for interpreting these Terms of Reference. In the event of any inconsistency between the English and Chinese versions of this document, the Chinese version shall prevail.

**Article 23** These Terms of Reference shall be handled pursuant to the provisions of relevant laws, administrative regulations and departmental rules of the PRC, the Hong Kong Listing Rules and the Articles of Association. In the event that these Terms of Reference are in conflict with the laws and regulations promulgated by the PRC, the Hong Kong Listing Rules or the Articles of Association, the Board of the Company shall make corresponding amendments to these Terms of Reference in time and submit to the Board for consideration and approval.

**Article 24** These Terms of Reference shall come into effect after consideration and approval by the Board and from the date on which the overseas-listed foreign shares (H Shares) of the Company are publicly issued and listed on the main board of The Stock Exchange of Hong Kong Limited.

TYK Medicines, Inc