

# PharmaBlock Sciences (Nanjing), Inc.

## Strategic and ESG Committee Work System

Revised in April 2024

### Chapter 1 General Principles

**Article 1:** In alignment with the strategic development needs of PharmaBlock Sciences (Nanjing), Inc. (hereinafter referred to as “PharmaBlock”, “the Company” or “We”), and to enhance its core competitiveness, the Company establishes Strategic and ESG Committee (hereinafter referred to as “Committee”) and this Work System, in accordance with the “Company Law of the People's Republic of China” (hereinafter referred to as “the Company Law”), “Code of Corporate Governance for Listed Companies,” and other relevant national laws, regulations, and normative documents, as well as the “Articles of Association of PharmaBlock Sciences (Nanjing), Inc.” (hereinafter referred to as “the Company AOA”). The Committee is designed to determine our development plans, improve our investment decision-making processes, and strengthen the scientific basis of our decisions. It also aims to enhance our governance structure and strengthen our Environmental, Social and Governance (ESG) capabilities, thereby improving our sustainable development performance and achieving our sustainable development goals.

**Article 2:** The Strategic and ESG Committee is a specialized organization within the Company's Board of Directors. It is primarily responsible for researching and proposing recommendations on the Company's long-term development strategy and major investment decisions. The Committee is also tasked with formulating sustainable development goals and plans, assessing and supervising the implementation of key sustainable development and ESG management matters, and reporting its findings to the Board of Directors.

### Chapter 2 Composition of Members

**Article 3:** The Committee shall consist of no less than three directors, including one independent director at least.

**Article 4:** Members of the Committee shall be nominated by Chairman, over one-half of the independent directors, or by over one-third of all directors.

**Article 5:** The Strategic and ESG Committee shall have a convener, who shall be the Chairman, to preside over the Committee's proceedings.

**Article 6:** The term of office for members of the Strategic and ESG Committee shall be coterminous with that of the Board of Directors. Members are eligible for re-election upon the expiration of their term. If a member ceases to be a director within the Company, their membership on the Committee shall automatically terminate. The Board of Directors shall conduct supplementary elections in accordance with the relevant provisions of the “the Company AOA” and this Work System.

**Article 7:** The Company's Board Office shall be responsible for the daily operational contact and organization of meetings for the Strategic and ESG Committee.

### **Chapter 3 Responsibilities and Authority**

**Article 8:** The primary responsibilities and authority of the Strategic and ESG Committee include:

- Developing the Company's medium and long-term development strategy and plan.
- Analyzing the internal and external development environment and providing recommendations.
- Reviewing significant matters such as investments, financing, restructuring, and asset acquisitions that require shareholder and Board approval, and offering suggestions.
- Investigating the Company's ESG objectives, strategic planning, governance structure, and management systems, and advising the Board on related initiatives.
- Identifying and overseeing ESG-related risks and opportunities that significantly impact the Company's operations, and guiding management in formulating appropriate responses to ESG risks and opportunities.
- Supervising the establishment of the Company's ESG goals, along with corresponding implementation plans and performance metrics, regularly reviewing progress towards ESG goals, and recommending actions to enhance performance.
- Reviewing the Company's ESG-related disclosure documents, including but not limited to the annual ESG report.
- Investigating and recommending on other significant matters impacting the Company's development.
- Inspecting the implementation of the aforementioned matters.
- Undertaking other tasks authorized by the Board of Directors.

**Article 9:** The responsibilities of the Committee's director include:

- Convening and presiding over Committee meetings.
- Reviewing and signing off on Committee reports.
- Representing the Committee in reporting to the Board of Directors.
- Fulfilling other duties as required of the Committee's Director.

In the event the Committee's Director is unable to fulfill their duties, another member designated by the director shall act in their stead.

**Article 10:** The Strategic and ESG Committee is accountable to the Board of Directors, and its proposals are to be submitted for deliberation and decision by the Board.

### **Chapter 4 Rules of Procedure and Voting**

**Article 11:** The Strategic and ESG Committee shall convene at least once annually, contingent upon the operational realities of the Company. A notice of the meeting must be dispatched to all members three days prior to the convening of the meeting. In cases of urgency, the aforementioned notice period may be waived.

**Article 12:** A meeting of the Strategic and ESG Committee is considered valid with the presence of over two-thirds of its members. Each member shall have one vote, and resolutions must be passed by more than half of all members.

Members may attend the meeting in person or appoint another member to attend and exercise voting rights on their behalf. Independent directors are expected to attend the meetings in person. Should they be unable to do so, they must review the meeting materials in advance, form a clear stance, and delegate another independent director to attend in writing.

Members who choose to delegate must submit a proxy form to the meeting host prior to the commencement of the meeting.

**Article 13:** The proxy form shall include, but not limited to, the following details:

- Name of the principal.
- Name of the proxy.
- The matters for which the proxy is granted.
- Instructions regarding the exercise of voting rights on the agenda (for, against, abstain), and clarification on whether the proxy may vote according to their own judgment in the absence of specific directives.
- The duration of the proxy's authority.
- The date of issuance of the proxy.

**Article 14:** If a member neither attends the meeting in person nor delegates another member to attend, the member is deemed an absence from the meeting. Should a member be absent without just cause for two consecutive meetings, it is considered an inability to perform their duties, and the Board of directors may consider the revocation of their membership.

**Article 15:** The voting within the Strategic and ESG Committee may be conducted via a show of hands, electronic voting, or other means of communication.

**Article 16:** The Strategic and ESG Committee may invite other directors, supervisors, senior executives, and relevant experts to attend meetings as observers when deemed necessary. However, they do not have voting rights.

**Article 17:** All departments within the Company are obliged to cooperate with the committee's work. With the Board's approval, the Strategic and ESG Committee may engage external consultants to provide expert opinions to aid in decision-making, with the Company covering the associated costs.

**Article 18:** If a member of the Strategic and ESG Committee has a direct or indirect interest in the matters under discussion, they must abstain from voting on the relevant proposals. Should the committee be unable to reach a consensus on the review. due to member abstentions, the matter will be referred directly to the Board of Directors for review.

**Article 19:** The proceedings of the Strategic and ESG Committee meetings should be documented, and the minutes should be signed by the attending members and the recorder.

The voting outcomes and recommendations from the Committee should be formally submitted to the Company's Board of Directors.

### **Chapter 5 Supplementary Provisions**

**Article 20:** Any matters not addressed by this Work System shall be governed by the "Company Law" and other applicable laws and regulations, as well as the "Company Articles". In the event of a conflict between this work system and subsequent national laws, administrative regulations, or normative documents, or amendments to the "Company Articles" made through legal procedures, the provisions of the national laws, administrative regulations, or the "Company Articles" shall take precedence. This work system shall be promptly revised and submitted to the Board of Directors for review and approval.

**Article 21:** The interpretation and amendment of this Work System are the prerogative of the Board of Directors. This system shall come into effect and be implemented from the date of approval by the Board of Directors, and the same process shall apply to any amendments.