

东曜药业

TOT BIOPHARM International Company Limited

東曜藥業股份有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1875)

Procedures for Shareholders to Propose a Person for Election as a Director of the Company

Shareholders holding the requisite voting rights may request to move a resolution at an Annual General Meeting (“AGM”) to elect, or to convene an Extraordinary General Meeting (“EGM”) for the passing of a resolution to elect, any person to be a director of the Company in accordance with the Amended and Restated Articles of Association (“Articles”) of TOT BIOPHARM International Company Limited (“Company”) and the Companies Ordinance (Chapter 622, Laws of Hong Kong). In addition, a shareholder may propose a person for election as a director of the Company at a general meeting (subject to relevant provisions of the Articles of the Company).

1. Relevant provisions in the Company’s Articles

1.1 The provisions for a shareholder of the Company to propose a person for election as a director of the Company (“Director”) are laid down in Article 109 of the Company’s Articles.

1.2 Article 109 is set out below:

(a) *The Company may, from time to time, by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the Board, provided that Mr. Lin, Jung-Chin (林榮錦) and his associates (as defined in Rule 14A.12 of the Listing Rules) and relatives (as defined in Rule 14A.21(1) (a) of the Listing Rules) and any person nominated by him shall not be qualified to be a Director or a member of the Company’s senior management unless and until he is acquitted of the criminal charges in relation to certain alleged contravention of the Securities and Exchange Act (《證券交易法》) of the Republic of China of which he was found guilty at first instance by the Taiwan Taipei District Court (台灣臺北地方法院) on September 1, 2017.*

(b) *No person (other than a Director retiring in accordance with these Articles) shall be eligible for election to the office of Director at any general meeting under paragraph (a) above unless:*

(i) *he is recommended by the Board for re-election; or*

(ii) *he is nominated by notice in writing by a member (other than the person to be proposed) entitled to attend and vote at the meeting, and such notice of nomination shall be given to the Company Secretary within the seven-day period (or a longer period as may be determined by the Directors from time to time) commencing no earlier than the day after the despatch of the notice of such meeting and ending no later than seven days prior to the date appointed for such meeting. The notice of nomination shall be accompanied by a notice signed by the proposed candidate indicating his willingness to be appointed or re-appointed.*

2. Requirements under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”)

2.1 Pursuant to Rules 13.70 and 13.74 of the Listing Rules, the Company shall:

- publish an announcement or issue a supplementary circular upon receipt of a notice from a shareholder to propose a person for election as a director at the general meeting where such notice is received by the Company after publication of the notice of general meeting;
- include in the announcement or supplementary circular the particulars required under Rule 13.51(2) of such person proposed to be elected as a director;
- publish such announcement or supplementary circular not less than 10 business days before the date of the relevant general meeting; and
- assess whether or not it is necessary to adjourn the meeting of the election to give shareholders at least 10 business days to consider the relevant information disclosed in the announcement or supplementary circular.

3. Procedures for Shareholders to Propose a Person for Election as a Director

Set out below are the procedures for shareholders to (i) request to move a resolution at the AGM; (ii) request to convene an EGM; and (iii) propose a person other than a retiring director for election as a director at a general meeting. Such procedures are subject to applicable legislation and regulations, in particular the Companies Ordinance (Chapter 622, Laws of Hong Kong).

3.1 Requisition to move a resolution at an AGM (See Section 615 of the Companies Ordinance (Chapter 622, Laws of Hong Kong))

- The Company shall hold a general meeting as its annual general meeting every year.
- A requisition to move a resolution at the AGM may be submitted by: (i) any number of shareholders representing not less than one-fortieth (1/40th) of the total voting rights of all shareholders having the right to vote at the AGM; or (ii) not less than 50 shareholders holding shares in the Company who have a right to vote on the resolution at the AGM to which the requisition relates.
- The requisition must state the resolution, and must be signed by all the requesting persons on one or more copies which between them contain the signatures of all the requesting persons.
- The requisition must be submitted to the Company Secretary within the following time: (i) not less than six (6) weeks before the AGM to which the requisitions relate; or (ii) if later, the time at which notice is given of that AGM.
- The requisition will be verified by the Company Secretary and upon his/her confirmation that the requisition is proper and in order, the Company Secretary will ask the Board to include the resolution in the agenda for the AGM. On the contrary, if the requisition has been verified as not in order, the requesting persons will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the AGM.

3.2 Requisition to convene an EGM (See Section 566 of the Companies Ordinance (Chapter 622, Laws of Hong Kong))

- Shareholders holding not less than one-twentieth (1/20th) of the paid-up capital of the Company which carries the right of voting at general meetings of the Company can make a requisition to convene an EGM.
- The requisition must state the objects of the meeting, and must be signed by the requesting persons and may consist of several documents in like form, each signed by one or more requesting persons. The requisition must be submitted to the Company Secretary.
- The requisition will be verified by the Company Secretary and upon his/her confirmation that the requisition is proper and in order, the Company Secretary will ask the Board to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all the registered shareholders. On the contrary, if the requisition has been verified as not in order, the requesting persons will be advised of this outcome and accordingly, an EGM will not be convened as requested.

3.3 Proposing a person other than a retiring director for election as a director at a general meeting

- If a shareholder of the Company wishes to propose a person (the “**Candidate**”) for election as a Director at a general meeting, he/she shall give a written notice (the “**Nomination Notice**”) to the Company Secretary.
- The Nomination Notice must: (i) include the information of the Candidate as required to be disclosed according to Rule 13.51(2) of the Listing Rules; and (ii) be signed by the shareholder concerned and be signed by the Candidate indicating his/her willingness to be appointed or re-appointed and consent for publication of his/her personal information.
- The Nomination Notice shall be given within the seven-day period (or a longer period as may be determined by the Directors from time to time) commencing no earlier than the day after the despatch of the notice of such meeting and ending no later than seven days prior to the date appointed for such meeting.
- In order to allow the Company’s shareholders to have sufficient time to consider the proposal for election of the Candidate as a Director, shareholders who wish to make such proposal are urged to submit and deliver the Nomination Notice as early as practicable. If necessary, the Company will assess whether or not it is necessary to adjourn the meeting of the election to give shareholders at least 10 business days to consider the nomination.

Remark: In case of any inconsistency between the English version and its Chinese translation, the English version shall prevail.

Date: November 7, 2019