

**WUXI APTEC CO., LTD.**

**AUDIT COMMITTEE OF THE BOARD OF DIRECTORS  
TERMS OF REFERENCE**

**(Revised in 2024)**

# WuXi AppTec Co., Ltd.

## Terms of Reference Audit Committee of the Board of Directors

### Chapter 1 General

**Clause 1** To enhance the performance of the board of directors (the “**Board**”) of WuXi AppTec Co., Ltd. (the “**Company**”) for higher efficiency, and to improve the audit and supervision functions of the Board so as to ensure the effective supervision of the Company by the Board, the Company has established the audit committee under the Board and formulated these terms of reference in accordance with the Code of Corporate Governance for Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies, the Self-Regulatory Guidelines No. 1 of Shanghai Stock Exchange — Standardized Operations, Rules of Committees under the Board of Directors (3) — Guidelines of the Rules of Audit Committee under the Board of Directors, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), the Articles of Association of WuXi AppTec Co., Ltd. (the “**Articles**”) and Rules of the Board of Directors of WuXi AppTec Co., Ltd.

**Clause 2** The Audit Committee is a specialized body set up by the Board. The Audit Committee shall be accountable to and report to the Board. The Audit Committee is mainly responsible for coordination and evaluation of internal and external auditors, review of financial information and its disclosure, supervision and examination of major decisions.

**Clause 3** Members of the Audit Committee shall devote sufficient time and efforts to perform the duties of the committee and shall be diligent and responsible. They shall supervise the external audit of the Company in a practical and efficient way. They shall provide guidance to the internal audit of the Company to ensure the effective operation of internal control and the preparation of true, accurate and complete financial reports.

**Clause 4** The Company shall provide resources required for the operation of the Audit Committee. Particular personnel or department shall be designated to be responsible for dealing with daily matters of the Audit Committee, including communication, organization of committee meetings, preparation of materials and filing for the Audit Committee. The management and the relevant departments of the Company shall provide supports to the Audit Committee for the performance of its duties.

## Chapter 2 Composition

**Clause 5** The Audit Committee shall be composed of three independent directors, at least one of whom is an independent director who is an accounting professional with appropriate professional accounting qualifications or accounting or related financial management expertise as required by the Hong Kong Listing Rules.

**Clause 6** The members of the Audit Committee shall be nominated by the chairman of the Board, not less than half of the independent directors or not less than one third of all directors and shall be elected by the Board.

**Clause 7** All members of the Audit Committee shall possess the expertise and experience enabling them to fulfil the duties of the Audit Committee.

**Clause 8** The Audit Committee shall have a chairman (the convener) who shall be an independent director and an accounting professional approved by the Board and responsible for the work of the committee.

**Clause 9** A former partner of the existing external auditors of the Company in charge of reviewing company accounts shall be prohibited from acting as a member of the Audit Committee for a period of 2 years from the date of his ceasing (whichever is later):

- (1) to be a partner of such firm; or
- (2) to have any financial interest in such firm.

**Clause 10** The Company shall arrange members of the Audit Committee to participate in training required for performance of their duties in respect of laws, accounting, and regulations on listed companies when necessary.

**Clause 11** The Board shall regularly evaluate the independence and performance of the members of the Audit Committee, and replace members who are not suitable to remain in the position when necessary.

**Clause 12** The term of office of the members of the Audit Committee shall coincide with that of the current session of the Board. A member of the Audit Committee may be re-appointed if re-elected upon the expiry of his/her term of office. If any member ceases to be a director of the Company or ceases to have the independence as set out in the Hong Kong Listing Rules during his/her term of office, he/she shall immediately cease to be a member. The vacancy shall be filled up by the Board in accordance with the clauses above.

**Clause 13** A member of the committee may tender his/her resignation to the Board before expiry of his/her term of office. The resignation letter shall include statements on the reason of resignation and any matters that need to be brought to the attention of the Board.

**Clause 14** In the event that the number of members of the committee falls below the minimum required, the Board shall fill up the vacancy in accordance with these terms of reference.

**Clause 15** The Audit Committee may establish an auditing unit to deal with daily operation and communication.

The office of the Board shall be in charge of the arrangement of meetings of the Audit Committee.

### **Chapter 3 Duties and Responsibilities**

**Clause 16** The Audit Committee is responsible for reviewing the financial information of the Company and its disclosure, supervising and evaluating internal and external audit work and internal control. The following matters shall be submitted to the Board for consideration after being approved by more than half of the members of the Audit Committee:

- (1) to disclose the financial information in financial accounting reports and periodic reports, and internal control evaluation reports;
- (2) to appoint or dismiss the accounting firm of the Company that undertakes the audit business of listed companies;
- (3) to appoint or dismiss the chief financial officer of the Company;
- (4) to revise accounting policies and accounting estimates or to correct material accounting errors for reasons other than changes in accounting standards;
- (5) to formulate policies and procedures for the selection and appointment of accounting firms, and the related internal control systems of the Company;
- (6) to deal with other matters stipulated by laws, administrative regulations, the relevant rules of China Securities Regulatory Commission and the stock exchange where the Company's shares are listed and the Articles.

**Clause 17** The duties and responsibilities of the Audit Committee to supervise and evaluate the external auditors shall include, inter alia, the following:

- (1) to make recommendations to the Board on the appointment and replacement of the external auditors;
- (2) to review the auditing fees and engagement terms of external auditors.

The Audit Committee shall perform the above functions without undue influence from the Company's major shareholders, actual controllers, directors, supervisors and senior management.

The Audit Committee shall supervise whether external auditors have fulfilled their duties diligently, strictly abode by business rules and industry self-discipline standards, strictly implemented internal control systems, verified the Company's financial accounting reports, performed special attention obligations, and prudently expressed professional opinions.

**Clause 18** The duties of the Audit Committee to provide guidance on internal audit shall include, inter alia, the following:

- (1) to guide and supervise the establishment and implementation of the internal audit system;
- (2) to review the annual internal audit plan of the Company;
- (3) to review the internal audit report, to examine the internal audit results and to supervise the rectification of material issues;
- (4) to supervise the effective operation of the internal audit department. The internal audit department of the Company shall report to the Audit Committee. The audit reports, plans and progress of rectification of audit issues submitted to the management by the internal audit department shall be submitted to the Audit Committee at the same time;
- (5) to report to the Board the progress and quality of internal audit work and major problems discovered;
- (6) to coordinate the relationship between the internal audit department and external audit units such as accounting firms and national audit institutions.

**Clause 19** The duties of the Audit Committee to review the financial reports of the Company and make comments thereon shall include, inter alia, the following:

- (1) to review the financial reports of the Company and make comments as to the truthfulness, completeness and accuracy of such reports;
- (2) to focus on and review material accounting and auditing issues contained in the financial reports of the Company, including adjustments to material accounting errors, changes in significant accounting policies and estimates, matters involving major accounting judgments, matters resulting in unqualified audit reports;
- (3) to specifically identify the possibility of fraud, corruption and material misstatement in relation to the financial reports;
- (4) to supervise the rectification of the issues in financial reports;
- (5) to review the changes in accounting policies and practices;
- (6) to review major judgments;
- (7) to review significant adjustments resulting from audit;
- (8) to review the going concern assumptions and any qualifications;
- (9) to review the compliance with accounting standards; and
- (10) to review the compliance with laws and regulations and requirements in relation to financial reporting under the listing rules of the stock exchanges where the Company's shares are listed.

**Clause 20** The duties of the Audit Committee to assess the effectiveness of internal control and oversee the financial reporting system, risk management and control system shall include, inter alia, the following:

- (1) unless otherwise provided by laws and regulations, the Audit Committee of the Board shall supervise the internal audit department to inspect the following matters at least once every six months, issue an inspection report and submit it to the Audit Committee: (1) the implementation of major events such as the use of proceeds raised by the Company, provision of guarantees, related transactions, securities investments and derivatives transactions, provision of financial assistance, purchase or sale of assets, external investments, etc.; (2) the Company's large capital transactions and transactions with directors, supervisors, senior managers, controlling shareholders, actual controllers and their related parties' capital transactions;

- (2) the Audit committee shall issue written evaluation opinions on the effectiveness of the Company's internal controls based on the internal audit report and relevant materials submitted by the internal audit department, and report to the Board;
- (3) to review the evaluation report on internal control;
- (4) to review the financial control of the Company, and unless specifically dealt with by a risk committee of the Board or by the Board itself, to review the risk management and internal control systems of the Company;
- (5) to discuss the risk management and internal control system with management to ensure that the management has performed its duty to establish an effective system. The discussion shall include the adequacy of resources, qualification, experience and training of staff and budget of accounting and financial reporting function of the Company;
- (6) to study major investigation findings on risk management and internal control matters and management's response to these findings on its own initiative or as delegated by the Board;
- (7) to ensure the coordination between the internal audit and external auditors, and to ensure that the internal audit is provided with sufficient resources for its operation and has appropriate standing; and to review and monitor its effectiveness;
- (8) to review the financial and accounting policies and practices of the Company;
- (9) to inspect the external auditor's management letter (審核情況說明函件) issued to the management by the external auditors, any material queries of the external auditors about accounting records, financial accounts or control system made to the management and the management's responses;
- (10) to ensure the Board will provide a timely response to any issues raised in the external auditor's management letter (審核情況說明函件) issued to the management by the external auditors;
- (11) to report to the Board on the matters set out in Appendix 14 "Corporate Governance Code" to the Hong Kong Listing Rules;
- (12) to study other matters required by the Board.

**Clause 21** The Audit Committee is responsible for coordinating communication between the management, internal audit department and relevant departments and external auditors, which shall include the following:

- (1) to coordinate communication between the management and external auditors in respect of material audit issues;
- (2) to coordinate communication between the internal audit department and external auditors and to cooperate with external auditors;
- (3) to encourage employees of the Company to raise, in confidence, concerns about possible irregularities in financial reporting, internal control or other matters. The Audit Committee shall ensure that proper arrangements are in place for fair and independent investigation of these matters and arrange necessary follow-up action; and
- (4) to establish a whistle blowing policy and system for employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence, with the Audit Committee about possible irregularities in any matter related to the Company.

**Clause 22** The Audit Committee shall be accountable to the Board and submit its proposals to the Board for consideration. The Audit Committee shall provide support to the Supervisory Board for its supervision over the audit.

**Clause 23** The Audit Committee may retain intermediary institution to provide professional advice, if necessary, at the expense of the Company.

**Clause 24** The appointment and replacement of external auditors shall be proposed by the Audit Committee for consideration by the Board.



## Chapter 4 Decision Making

**Clause 25** The auditing unit shall be responsible for preparatory work to assist the decision making of the Audit Committee, and shall prepare the following documents of the Company in written form:

- (1) financial reports of the Company;
- (2) reports of internal and external auditors;
- (3) contract and reports of external auditors;
- (4) public disclosure of information by the Company;
- (5) audit reports on major connected transactions of the Company;
- (6) other relevant matters.

**Clause 26** The Audit Committee shall convene meetings to discuss reports submitted by the auditing unit and shall forward its written resolution on the following matters to the Board for consideration:

- (1) work appraisal on external auditors of the Company, and the appointment and replacement of external auditors;
- (2) the effectiveness of the internal audit system of the Company and the fairness of the financial reports of the Company;
- (3) whether the financial reports and other information disclosed by the Company are true, accurate and complete;
- (4) work appraisal of the internal financial department and audit department and their respective persons-in-charge;
- (5) other relevant matters.

**Clause 27** The meetings of the Audit Committee shall include regular meetings and extraordinary meetings. The chairman of the Audit Committee shall convene and preside over the meetings. When the chairman of the Audit Committee fails or refuses to perform the duties, an independent director shall be appointed to perform the duties instead.

**Clause 28** The Audit Committee shall hold at least one meeting every quarter. The committee may hold extraordinary meetings when necessary. When two or more members propose, or when the convenor considers necessary, an extraordinary meeting can be held. All members are to be given notice at least three days before extraordinary meetings in principle. In case of emergency or under special circumstances, the notice time and requirements of notice may be waived subject to approval of the chairman, and the notice of meeting may be issued at any time, but the chairman of the Audit Committee shall make an explanation at the meeting.

**Clause 29** The quorum of the Audit Committee meetings shall be not less than two thirds of the members. Each member shall be entitled to one vote. Resolutions of the meeting shall be approved by a majority of all the members (including members absent).

**Clause 30** Audit opinions of the Audit Committee for submission to the Board shall be passed by a majority of all members. The issues shall be reviewed directly by the Board when the Audit Committee is unable to give effective audit opinions due to the abstaining of its member(s).

**Clause 31** The members of the Audit Committee shall attend meetings in person and give definite opinions on the issues discussed. When a member of the Audit Committee is unable to attend the meeting, he/she may submit an authorization letter signed by him/her to authorize another member to attend the meeting and give opinions on his/her behalf. The authorization letter shall specify the scope and period of authorization. Each member may act as proxy for one member only. An independent director shall authorize another independent director within the Audit Committee to attend the meeting on his/her behalf when he/she fails to attend such meeting in person.

**Clause 32** The Audit Committee shall vote by a show of hands or by a poll. Meetings may also be convened by voting through communication.

**Clause 33** Members of the auditing unit may attend meetings of the Audit Committee. If necessary, the Audit Committee may invite representative of external auditors, supervisors, internal audit personnel, financial personnel, legal advisor and other relevant personnel to attend the meeting of the Audit Committee and provide necessary information.

**Clause 34** The Audit Committee shall keep written resolutions of the meetings for all resolutions. Members present at the meetings shall sign the resolutions of the meetings, which shall be kept by the secretary of the Board of the Company.

**Clause 35** The Audit Committee shall keep minutes of the meetings. Members present at the meetings shall sign the minutes of the meetings, which shall be kept by the secretary of the Board of the Company. Minutes of the Audit Committee meetings shall include at least the following information: the date and venue of the meeting and name of the convener; names of attendees, with special notes added for proxies; the way of voting on each item or proposal and voting results; views expressed by the independent directors; other matters that should be explained or stated in meeting minutes.

**Clause 36** The resolutions passed and the results of voting at the meeting of the Audit Committee shall be reported in writing to the Board of the Company.

**Clause 37** Members attending and observing the meeting shall have an obligation to keep all matters discussed in such meetings confidential and shall not disclose relevant information without authorization.

**Clause 38** The members of the Audit Committee who have conflict of interests in the issues to be discussed at the meetings shall abstain from such discussion.

**Clause 39** The procedures for convening a meeting, the method of voting and the resolutions passed at a meeting of the Audit Committee shall comply with relevant laws and regulations, the Articles and these terms of reference.

**Clause 40** The Audit Committee shall keep minutes of its meetings for at least ten years.

## Chapter 5 Information Disclosure

**Clause 41** The Company shall disclose the information on the members of the Audit Committee in accordance with the requirement of the stock exchange where the shares are listed (if applicable).

**Clause 42** The Company shall also disclose a summary of the work of the Audit Committee during the year on the website(s) of stock exchange(s) where the Company's shares are listed when publishing its annual report, primarily including the performance of responsibilities of the Audit Committee and the convening of meetings by the Audit Committee, on request.

**Clause 43** In case of discovery of material matters contravening the information disclosure standards under the Listing Rules of the stock exchanges where the Company's shares are listed during the discharge of duties by the Audit Committee, the Company shall promptly disclose such matters and the rectifications thereof.

**Clause 44** If the Audit Committee puts forward its audit opinions to the Board of the Company within the scope of its duties and those opinions are not taken by the Board, the Company shall disclose this matter and provide reasons for taking a different view.

**Clause 45** The Company shall disclose the opinions issued by the Audit Committee on the material issues of the Company in accordance with relevant laws, administrative regulations, departmental rules, Listing Rules of the stock exchanges where the Company's shares are listed and other relevant regulatory documents.

## Chapter 6 Miscellaneous

**Clause 46** These terms of reference shall come into effect when approved by the Board. The existing terms of reference of Audit Committee of the Board of WuXi AppTec Co., Ltd. shall automatically lapse by then.

**Clause 47** Any matters not covered by these terms of reference shall be dealt with in accordance with the provisions of relevant laws, regulations, the listing rules of the stock exchanges where the Company's shares are listed and the Articles. If these terms of reference contravene any future laws and regulations, the listing rules of the stock exchanges where the Company's shares are listed or the Articles as amended under legal procedures, these terms of reference shall be implemented in accordance with the relevant laws, regulations, listing rules of the stock exchanges where the Company's shares are listed and the Articles. These terms of reference shall be amended promptly and submitted to the Board for approval.

**Clause 48** The interpretation of these terms of reference shall be vested in the Board.