

Shanghai Fosun Pharmaceutical (Group) Co., Ltd.

Fosun Pharma [2022] No. 52

Notice on Issuing the *Fair Pricing Policy* of *Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*

Departments and member companies,

Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (hereinafter referred to as "Fosun Pharma") and its holding subsidiaries/units (hereinafter referred to as "the Group") uphold the quality policy of "Respecting life, putting quality first, striving for perfection, and pursuing excellence" and are committed to providing quality and accessible products and services to patients and clients. This policy is formulated to mitigate the rising costs and financial burdens of the healthcare system and to promote innovation in the pharmaceutical industry to benefit patients and clients.

This policy applies to all products in the Group.

This policy is effective as of December 28, 2022.

It is hereby notified.

Annex: Fair Pricing Policy of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.

Shanghai Fosun
Pharmaceutical (Group) Co.,
Ltd.

December 28, 2022

Copy: Shanghai Fosun High Technology (Group) Co., Ltd.

Shanghai Fosun Pharmaceutical (Group) Co., Ltd.

Issued on December 28, 2022

Fair Pricing Policy of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.

Chapter I General Provisions

Article 1 Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (hereinafter referred to as "Fosun Pharma") and its holding subsidiaries/units (hereinafter referred to as "the Group") uphold the quality policy of "Respecting life, putting quality first, striving for perfection, and pursuing excellence" and are committed to providing quality and accessible products and services to patients and clients. This policy is formulated to mitigate the rising costs and financial burdens of the healthcare system and to promote innovation in the pharmaceutical industry to benefit patients and clients.

Article 2 This policy applies to all products in the Group.

Chapter II Principle of Fair Pricing

Article 3 The following principles should be followed for fair pricing:

(I) The principle of legal compliance. Fair pricing means complying with laws, regulations, and other stipulations, strictly fulfilling internal and external approval procedures, and not harming public interests and the legitimate rights and interests of other citizens.

(II) The principle of fairness and openness. Fair pricing should be in line with the Group's mission of "Better Health for Families Worldwide" and the values of "Care for Life, Continuous Innovation, Pursuit of Excellence, Sustainable Partnership", and the prices of products should be set and disclosed fairly.

Chapter III Measures for Fair Pricing

Article 4 The Group adopts a value-based, fair, and open pricing strategy for its products, including:

(I) The Group follows the World Health Organization's definition of "fair pricing" and adopts a value-based product pricing strategy to ensure that the pricing of medicines reflects its value to patients, the healthcare system, and the local community as a whole.

(II) The value-based product pricing strategy is the basis for the Group's creation of customized pricing models for the healthcare system and motivates the Group to continuously invest in complex and risky areas of medicine development.

Article 5 The Group sets prices for domestic and international products fairly based on the concept of product affordability. There are differences among countries worldwide in terms of healthcare needs, payment patterns for medicine, and affordability of financial systems. To benefit patients globally, the Group adopts a differentiated pricing approach by taking the GDP, the United Nations Human Development Index, and public healthcare inputs, etc. of different countries or regions into consideration. The price of pharmaceutical products from countries or regions in the same level is relatively consistent. The Group also develops various accessible drug pricing strategies to serve more patients around the world, based on the needs and affordability of patients in different countries/regions.

Chapter IV Staff Training

Article 6 The Group conducts annual training for all employees.

The Group's employees are obliged to attend trainings and to understand, master, and comply with the provisions of this policy. Upon completion of the training, relevant training records should be properly archived, including but not limited to training content, training schedule, training sign-in

sheet or list of participants, etc.

Chapter V Supervision

Article 7 The management of Fosun Pharma is responsible for organizing and leading the daily operation within the Group and ensuring the effectiveness of the supervision. The Board of Directors of Fosun Pharma monitors the implementation of the Group's fair pricing policy.

Chapter VI Supplementary Provisions

Article 8 Anything not covered in this policy, or contrary to the relevant laws, regulations, or normative documents of the People's Republic of China, should be implemented in accordance with the relevant laws, regulations, or normative documents of the People's Republic of China.

Article 9 This policy is formulated, revised, and interpreted by the ESG Working Group of Fosun Pharma, and should take effect from the date of issuance.