



HUA MEDICINE
華領醫藥

(A company incorporated in the Cayman Islands with limited liability)

(Stock Code: 2552)

**TERMS OF REFERENCE OF
STRATEGY COMMITTEE**

The strategy committee (the “**Committee**”) of Hua Medicine 華領醫藥 (the “**Company**”) was established pursuant to a resolution passed by the board of directors of the Company (the “**Board**”) on August 26, August 2018. Set out below are the terms of reference (the “**Terms of Reference**”) of the Committee. The Terms of Reference are available for viewing in English and traditional Chinese. If there is any inconsistency between the English and the traditional Chinese versions of the Terms of Reference, the English version shall prevail over the traditional Chinese version.

1 PURPOSE

- 1.1 The Committee is established as a committee of Board. It is responsible for considering, reviewing and advising on mid-term and long-term development strategies of the Company’s operations.
- 1.2 The Committee is established to supervise and monitor the implementation of the Group’s overall development strategies and business plans, and promoting the decision-making on the relevant significant operational matters under such development strategies within the authority. The Committee shall have no powers other than those set out in these terms of reference below.

2 COMPOSITION

- 2.1 The chairman (“**Chairman**”) and members of the Committee shall be appointed by the Board from time to time and the Committee shall consist of no less than three directors of the Company.

3 MEETINGS

- 3.1 Unless otherwise specified hereunder, the provisions contained in the Company's articles of association (the "**Articles**") (as amended from time to time) for regulating meetings and proceedings of directors shall apply to the meetings and proceedings of the Committee.
- 3.2 Members of the Committee may attend meetings of the Committee either in person or through other electronic means of communication or in such other manner as the members may agree.
- 3.3 The Committee shall meet at least once per year or more if required. The meeting of the Committee shall be chaired by the Chairman, in his/her absence, the Chairman shall designate another member of the Committee as the chairman for the meeting.
- 3.4 Members of the Committee may be represented at a meeting of the Committee by an alternate appointed by him or her.
- 3.5 The Chairman shall be responsible for leading the Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.
- 3.6 A meeting of the Committee may be convened by any of its members.
- 3.7 A quorum shall be two members of the Committee.
- 3.8 Unless otherwise agreed by all the members of the Committee, notice of at least seven days shall be given for a regular meeting of the Committee. For all other meetings of the Committee, reasonable notice shall be given. The Chairman shall determine whether or not a meeting of the Committee is a regular meeting.
- 3.9 The agenda and accompanying supporting papers shall be sent to all members of the Committee and to other attendees as appropriate at least three days before the date of the meeting (or such other period as the members may agree).
- 3.10 Each member shall have one voting right. Subject to the Articles, questions arising at any meeting of the Committee shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have a second or casting vote.
- 3.11 The members of the Committee shall appoint a secretary of the Committee (the

“Secretary”) to take minutes. In the absence of the Secretary, his/her delegate(s) or any person elected by the members of the Committee present at the meeting of the Committee, shall attend the meeting of the Committee and take minutes. Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by the Chairman or the Secretary of the meeting or succeeding meeting.

3.12 Full minutes of meeting of the Committee shall be kept by the Secretary or the Company Secretary(ies) of the Company. They shall be open for inspection at any reasonable time on reasonable notice by any director.

3.13 Minutes of meetings of the Committee and the record of individual attendance at such meetings shall be prepared by the Secretary which shall be sent to all members of the Committee within a reasonable time after the conclusion of any meeting of the Committee for their comment and records. For the purposes of recording attendance only, the attendance of an alternate of members of the Committee will not be counted as attendance by the relevant member of the Committee himself or herself. The minutes of meetings of the Committee shall record details of the matters considered and decisions reached, including any concerns raised by directors or dissenting views expressed.

3.14 Without prejudice to any requirement under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), a resolution in writing signed by all the members of the Committee (or their respective alternate) shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

4 ACCESS

4.1 The Committee shall have full access to management and may invite members of management or others to attend its meetings.

4.2 The Company should provide the Committee with sufficient resources to perform its duties, including but not limited to obtaining independent professional advice and assistance from internal or external legal, accounting or other advisors at the expense of the Company if necessary.

5 REPORTING PROCEDURES

5.1 The Committee shall evaluate and assess its effectiveness and the adequacy of its Terms of Reference from time to time and recommend any proposed changes to the Board.

5.2 The Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

6 RESPONSIBILITIES AND DUTIES

6.1 To fulfill its responsibilities, the Committee shall:

- (a) research and recommend on the mid-term and long-term development strategies and business plans of the Company;
- (b) research and recommend on significant matters impacting the development of the Company;
- (c) opine on any significant investment and financing projects of the Company;
- (d) supervise and monitor the implementation of the development strategies and business plans of the Company on a regular basis, receive relevant operation report and promote the execution of management under the Board's authority;
- (e) perform any other activities consistent with the Terms of Reference, the Company's Articles and governing laws, as the Committee or the Board may deem necessary or appropriate; and
- (f) handle any other matters delegated by the Board.