

Sinopharm Group Co., Ltd.
Terms of Reference and Rules of Procedure of
Strategy and Investment Committee
under the board of directors

Chapter 1 General provisions

Article 1 In order to enhance the decision-making function of the board of directors of Sinopharm Group Co., Ltd. (hereinafter referred to as the “Company”), strengthen the effective supervision of the board of directors of the Company on managers, improve the structure of corporate governance and fully safeguard the legal interests of the Company and its shareholders, the Company has established the strategy and investment committee (hereinafter referred to as the “strategy and investment committee”) under the board of directors and formulated the Rules of Procedure in accordance with the Company Law of the People’s Republic of China (hereinafter as the “Company Law”), the Standards on Corporate Governance of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, Articles of Association of Sinopharm Group Co., Ltd. (hereinafter referred to as the “Articles of Association”) and other relevant rules.

Article 2 The strategy and investment committee is a special committee established under the board of directors and shall be accountable to the board of directors. Its main duties are to conduct researches and to submit proposals regarding the long-term development strategies and material investment decisions of the Company and it was authorised by the board of directors to supervise and review the implementation of annual operation and investment plans.

Article 3 The senior management referred to in the Rules of Procedures shall refer to the general manager, deputy general manager, secretary of the board of directors, joint secretaries of the Company and financial director engaged by the board of directors and other senior management recognized by the board of directors.

Chapter 2 Composition

Article 4 The strategy and investment committee shall comprise at least three members, all of which are elected by the board of directors.

Article 5 The strategy and investment committee shall have one chairman held by the chairman of the board. The chairman shall be responsible for convening and leading the work of the strategy and investment committee. The chairman shall:

- (i) Lead the strategy and investment committee and ensure that the Committee operates and performs its responsibilities effectively;
- (ii) convene and preside over regular and interim meetings of the strategy and investment committee;
- (iii) determine the agenda of each meeting of the strategy and investment committee;
- (iv) ensure that every proposal discussed by the strategy and investment committee reaches a clear and definitive conclusion, including passed, rejected or deferred;
- (v) Supervise and review the execution of the resolutions at meetings of the strategy and investment committee; and
- (vi) other powers and duties granted by the board of directors.

Article 6 The members shall have the same term of office as the directors. Upon expiry of their term, members may be re-elected.

No members may be removed from office without cause prior to the expiry of term of office save as the occurrence of circumstances that requires dismissal as stipulated in the Company Law, these Articles or the Listing Rules.

During which if members no longer act as directors of the Company, they shall

automatically lose their office as members and the board of directors shall fill the vacancy in accordance with the provisions under Article 4 to Article 5 above. The term of office of the replacing member shall expire simultaneously with his/her term as a director.

Article 7 The secretary of the board of directors shall be responsible for coordinating daily work and organising meetings for the strategy and investment committee.

Chapter 3 Duties and powers

Article 8 The members shall:

- (i) attend strategy and investment committee meetings on time, express their opinions on matters deliberated at the meeting, and exercise their voting right;
- (ii) propose subjects for discussion at strategy and investment committee meetings;
- (iii) attend or observe relevant meetings of the Company, conduct surveys and collect reports, documents and materials for the purpose of discharging their responsibilities;
- (iv) fully understand the duties and responsibilities of the strategy and investment committee and those of themselves as a member, acquaint themselves with relevant information on the operation and management, business activities and development of the Company to ensure their capacity for discharging duties and responsibilities;
- (v) fully ensure that they have sufficient working hours and energy to fulfil their duties and responsibilities; and
- (vi) other functions and powers as specified herein.

Article 9 The strategy and investment committee shall:

- (i) establish the basic framework for the procedure for the formulation of the Company's strategies;

- (ii) evaluate as appropriate the Company's long-term development strategy, and arrange for the drafting of the Company's development strategy and middle and long-term development plans;
- (iii) review the Company's annual business plans;
- (iv) consider and put forward suggestions on material investment, financing and security plans that require the approval of the board of directors;
- (v) consider and put forward suggestions on material capital application and asset operation projects that require the approval of the board of directors;
- (vi) consider and formulate plans for restructuring of the Company, and plans for transferring equity held by the Company, reorganizations, acquisitions and adjustment of the organizational structure;
- (vii) put forward suggestions on the implementation plan of the Company's fund-raising investment projects and the report on the use of capital;
- (viii) monitor and guide the safety and risk management work of the Company;
- (ix) consider and put forward suggestions on other material matters affecting the development of the Company;
- (x) evaluate and inspect the implementation of the foregoing matters; and
- (xi) other functions and powers granted by the board of directors.

Article 10 Members of the strategy and investment committee are accountable to the board of directors. Unless otherwise authorized by the board of directors, the proposals raised by the strategy and investment committee shall be submitted to the board of directors for review and approval.

Article 11 The strategy and investment committee shall be provided with sufficient resources to enable it to perform its functions.

Chapter 4 Rules and procedures of meeting

Article 12 Meetings of the strategy and investment committee shall include regular meetings and interim meetings. Regular meetings shall be held at least twice a year, and once in half a year. The interim meetings may be held upon proposal by more than two members or the chairman of the strategy and investment committee. The office of the board of directors shall give at least five days' notice to all members prior to the regular meetings of the strategy and investment committee and provide sufficient meeting materials, provided that such notice period may be waived with the unanimous consent of all members. The meeting shall be chaired by the chairman and the chairman, if unable to attend, may appoint another member to act on his behalf.

Article 13 The chairman of the Committee shall sign and issue a notice of an interim meeting within 3 days upon receipt of the proposal from any of the following:

- (i) the board of directors;
- (ii) the chairman of the Committee; and
- (iii) more than two committee members.

The office of the board of directors shall provide all the committee members with a notice of the interim meeting and relevant meeting materials 3 days prior to the interim meeting.

Article 14 The meeting notice shall specify:

- (i) the venue, date, time and form of the meeting;
- (ii) the agenda and matters to be considered at the meeting, and other relevant information; and
- (iii) the date of the notice.

Article 15 The meeting notice shall be dispatched by hand, email, fax, express mail or other ways specified by the articles of association.

- Article 16** Meetings of the strategy and investment committee shall be held only if more than two thirds of the members are present. Each member shall have one vote. Resolutions of the meeting must be voted for by more than half of all members. In the case of an equality of votes, the chairman shall be entitled to one casting vote.
- Article 17** Members of the strategy and investment committee shall attend the meeting in person. Those who have appointed a proxy to attend and vote on his behalf shall submit the instrument of proxy to the chairman of the meeting. The latest time for submitting the instrument of proxy to the chairman of the meeting shall be prior to voting at the meeting.
- Article 18** The strategy and investment committee may vote on a show of hands or on a poll at the meetings. The meetings may be held in the form of physical meetings or video meetings, teleconference or by aid of similar communication equipment. As long as such devices enable clear communication among all members attending the meeting, such members shall be deemed to have attended the meeting in person.
- Article 19** Relevant members of the Committee shall abstain from voting in respect of resolutions concerning the interests of such members at the meeting of the strategy and investment committee.
- Article 20** Written resolutions signed and agreed by all the committee members shall be deemed to be as effective as resolutions duly passed at a legally held committee meeting. Such resolutions can consist of documents in counterparts, each having been signed by one or more of the committee members. Such resolutions can be signed or distributed by fax or other means of electronic communication.
- Article 21** If a meeting of the strategy and investment committee is held, the Committee may invite directors, supervisors and senior management of the Company to sit in on the meetings if it considers necessary.
- Article 22** The strategy and investment committee may engage intermediaries to provide professional advice for its decision-making if necessary and the reasonable expenses arising therefrom shall be borne by the Company.

Article 23 Resolutions passed at the meeting of the strategy and investment committee and any vote results shall be reported to the board of directors of the Company in writing.

Article 24 Upon authorization or approval of the board of directors, if the resolutions passed at the strategy and investment committee meeting need to be further implemented by senior management or other relevant persons in charge, the Committee shall have the right to require the above-mentioned persons to report on the progress of implementation within the specified period or at the next meeting.

Article 25 The procedures for convening the meeting, means of voting and resolutions passed at the meeting of the strategy and investment committee shall comply with the relevant laws, regulations, these Articles and the provisions of the Rules of Procedure.

Article 26 The strategy and investment committee shall maintain minutes of the meeting where members attending the meeting shall sign on the minutes. The minutes shall be maintained by the secretary of the Company.

Article 27 Members attending the meeting shall keep confidential of all matters discussed at the meeting. Save as otherwise provided by the laws, regulations and/or regulatory authorities, unauthorized disclosure of the relevant information shall be prohibited.

Chapter 5 Supplementary provisions

Article 28 Any matters not mentioned herein or any conflicts with any new or amended laws, regulations, provisions of the Listing Rules of the place where the company is listed or Articles of Association arising after the Terms of Reference take effect shall be executed in accordance with the laws, regulations, provisions of the Listing Rules of the place where the company is listed and Articles of Association.

Article 29 Unless otherwise specially specified, the terms used in the Rules of Procedure have the same meanings ascribed to them in the Articles of Association.

Article 30 The Terms of Reference of the Committee shall be updated or modified from time to time in accordance with the relevant laws, regulations, provisions of Listing Rules of the place where the company is listed and Articles of Association.

Article 31 The Rules of Procedure and the amendments hereto shall take effect upon the passing of the resolution by the board of directors of the Company.

Article 32 The right to amendment and interpretation of the Rules of Procedure shall be vested in the board of directors of the Company.