

**CHINA TRADITIONAL CHINESE MEDICINE HOLDINGS
CO. LIMITED**

中國中藥控股有限公司

TERMS OF REFERENCE OF STRATEGIC COMMITTEE

CHINA TRADITIONAL CHINESE MEDICINE HOLDINGS CO. LIMITED
中國中藥控股有限公司
Terms of Reference of Strategic Committee

Formation

1. The strategic committee (“the Committee”) was established pursuant to the board resolution of CHINA TRADITIONAL CHINESE MEDICINE HOLDINGS CO. LIMITED (“the Company”) passed on January 2014.

Composition and Quorum

2. The Committee shall be appointed by the board of the Company amongst the executive directors and non-executive directors of the Company and shall include independent non-executive directors.

Members: The Committee shall consist of not less than 3 members

3. The chairman of the Committee shall be the chairman of the board or an executive director with solid background in pharmaceutical industry.
4. The meetings and proceedings are governed by the provisions contained in the articles of association of the Company (the “Articles of Association”).
5. The term of the Committee is the same as that of the board. When the term of a member expires, he/she may be re-elected. During the period, if any member no longer holds the position of director of the Company, or the member who should have the status of independent non-executive director no longer has the independence stipulated in the Articles of Association, he/she will automatically lose his/her membership.

Authority

6. The Committee is authorised by the board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the

Committee.

7. The Committee is authorised by the board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Duties

8. The duties of the Committee shall be:—
 - (a) to guide the formulation of and preliminarily discuss the development strategy of the Company and to decide the basic framework of development strategy;
 - (b) to guide the formulation of and preliminarily discuss the medium and long-term development strategic planning of the Company and strategic planning of important subsidiaries;
 - (c) to guide the formulation of and preliminarily discuss the main business scope, adjustment plan, and developing target and implementation way of newly-developed strategic business of the Company;
 - (d) to guide the formulation of and preliminarily discuss the major strategic adjustment plan of the Company and offer advice to the board;
 - (e) to discuss major strategic reconstruction and integration plan and strategic feasibility plan for new business development of the Company or its subsidiaries requiring approval of the board and offer advice to the board;
 - (f) to supervise and inspect implementation of strategic planning for major business of the Company and its subsidiaries and offer rolling revising opinions when it is appropriate; and
 - (g) to consider other topics, as delegated /authorised by the board.

- END-

Effective date: 15 March 2019