

东曜药业

TOT BIOPHARM International Company Limited

東曜藥業股份有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1875)

Terms of Reference for the Strategy Committee

1. In order to cater for the strategic development need of TOT BIOPHARM International Company Limited (the “**Company**”), strengthen the Company’s core competitiveness, determine the Company’s development plan, improve the investment decision-making process, strengthen the scientific decision-making, improve the efficiency and standard of significant decision-making, improve the corporate governance structure of the Company, and enhance the Company’s core competitiveness, we establish the Strategy Committee under the Board of Directors and formulate this Terms of Reference.
2. The Strategy Committee is a specialized work organization established under the Board of Directors, which focus on studying and providing advice on the Company’s long-term development strategies and major investment decisions.
3. The Strategy Committee consists of about 5-7 directors, of which at least one of them is an independent director.
4. Members of Strategy Committee shall be nominated jointly by the chairman and more than 1/3 of the directors, and elected by the Board of Directors.
5. The term of office of the members of the Strategy Committee shall be the same as the Board of Directors in the same session. Members may be re-elected upon expiration of the term. During the term, if a member no longer serves as a director of the Company, he/she will automatically lose the qualification for being a committee member and the Board of Directors shall replenish the number of committee according to the provisions of this Terms of Reference.
6. Members of the committee may resign to the Board of Directors before the expiration of the term of office. The resignation report shall include necessary explanations on the reasons of resignation and matters requiring the attention of the Board of Directors.
7. When the number of committee members is lower than the number specified in this Terms of Reference, the Board of Directors shall replenish the number of committee members in accordance with the provisions of this Terms of Reference.
8. Secretary of the Board of Directors is responsible for the daily work liaison and organization work for meeting of the Strategy Committee.

9. The responsibility of the Strategy Committee includes:
 - 9.1 To study and give advice on the long-term plan of development strategy of the Company;
 - 9.2 To study and give advice on significant investment and financing plan that requires approval by the Board of Directors according to the Amended and Restated Articles of Association and “Measures for the Administration of Overseas Investment of Enterprises”;
 - 9.3 To study and give advice on significant capital movement that requires approval by the Board of Directors in accordance with the Amended and Restated Articles of Association (including but not limited to increase or decrease of the registered capital, bonds issue or other securities issue, merger, separation, dissolution or change of corporate form by the Company or any wholly-owned or controlled subsidiaries, profit distribution plan and loss compensation plan of the Company), asset management project, annual financial budget of the Company and final accounts;
 - 9.4 To study and give advice on matters concerning the establishment or change of investment projects involving the issuance of securities to raise funds by the Company or any wholly-owned or controlled subsidiaries;
 - 9.5 To study and give advice on other significant matters that may influence the development of the Company;
 - 9.6 To conduct follow-up investigation on the implementation of the above matters, conduct research and evaluation, and give advice on any significant investigations involved, and report to the Board of Directors for its determination;
 - 9.7 Other matters authorized by the Board of Directors.
10. Rules of Proceedings
 - 10.1 The Strategy Committee shall convene meetings as needed and shall notify all members three days before the meeting. If the situation is urgent or any special circumstances exist, upon receiving the consent of the chairman to waive the notice requirements previously stated, meeting notice can be issued at any time. The meeting shall be presided by the chairman. If the chairman is unable to attend, he/she may delegate the responsibility to another member (an independent director) to act on his/her behalf. If the chairman neither perform his/her duties nor designate other members to perform his/her duties, any member may report this situation to the Board of Directors and the Board of Directors shall appoint a member to perform the duties of the chairman.
 - 10.2 Quorum required for a meeting of the Strategy Committee is two-thirds or more of all members. Each member shall have one vote. Resolutions made at the meeting must be passed by more than half of the members present. Voting methods of a Strategy Committee meeting is showing hands, ballot, vote by communication and any other means permitted by laws and regulations.

- 10.3 Members of the Strategy Committee may attend the meeting in person, or they may authorize other members to attend the meeting and exercise the voting rights on their behalf. The Strategy Committee may also invite directors and other senior management personnel to attend the meeting if necessary. If necessary, the Strategy Committee may, with the approval of the Board of Directors, hire an intermediary agency to provide professional advice for its decision, and the expenses shall be borne by the Company.
- 10.4 All discussions in a meeting of the Strategy Committee should be recorded in the minutes. The minutes shall also record the following items in details:
- 10.4.1 Date and place of meeting and name of the convener;
 - 10.4.2 Name of the participants. Persons who attended the meeting on behalf of others should be specially remarked in the minutes;
 - 10.4.3 Meeting agenda;
 - 10.4.4 Members' key statements;
 - 10.4.5 Voting methods adopted and results of each motion;
 - 10.4.6 Other matters that shall be recorded in the minutes;
- 10.5 Resolutions passed by the Strategy Committee together with the voting results shall be reported to the Board of Directors in writing.
- 10.6 Both members attending the meeting and those present at the meeting have a duty of confidentiality regarding matters discussed in the meeting and shall not disclose such information without authorization.
- 10.7 Procedures for convening the meeting, voting method and all motions passed at the meeting are subject to relevant laws, regulations, the Amended and Restated Articles of Association and the provisions of this Terms of Reference.
11. This Terms of Reference comes into force and is enforced as of the date of approval by the Board of Directors.
12. For any matter not covered in this Terms of Reference, please refer the relevant laws, regulations and the Amended and Restated Articles of Association. If this Terms of Reference conflicts with any law, regulation or the Amended and Restated Articles of Association, such laws, regulations or the Amended and Restated Articles of Association shall prevail, and this Terms of Reference shall be amended accordingly and the amendment shall be reported to the Board of Directors for review and approval.
13. The Board of Directors reserves all right of interpretation regarding this Terms of Reference.