



Shandong Boan Biotechnology Co., Ltd.

山东博安生物技术股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6955)

TERMS OF REFERENCE OF THE STRATEGY COMMITTEE OF THE BOARD

Chapter 1 General Provisions

- Article 1** Pursuant to the Company Law of the People's Republic of China, the Articles of Association of Shandong Boan Biotechnology Co., Ltd. (the "**Articles of Association**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and other relevant regulations, Shandong Boan Biotechnology Co., Ltd. (the "**Company**") has set up a strategy committee (the "**Strategy Committee**") under the board of directors (the "**Board**"), and hereby formulated these terms of reference, in an effort to accommodate the needs of strategic development of the Company, strengthen its core competitiveness, optimize its procedures for making investment decisions, enhance the scientificity of its decision-making process, and improve the effectiveness and quality of investment decisions.
- Article 2** The Strategy Committee is a specific committee set up by the Board. Its main responsibilities are to conduct researches and submit proposals regarding the long-term development strategies and major development decisions of the Company.

Chapter 2 Composition

- Article 3** The Strategy Committee shall comprise at least three (inclusive) directors.
- Article 4** Members of the Strategy Committee shall be nominated by the chairman/chairlady of the Board, more than half of the independent non-executive directors or one-third of all directors, and shall be elected by the Board.
- Article 5** The Strategy Committee shall have a chairperson (the "**chairperson**").
- Article 6** The term of office of the Strategy Committee shall be the same as that of the Board. Each member of the Strategy Committee shall be eligible for re-election upon expiry of his or her term of office. During such period, if any member of the Strategy Committee ceases to be a director of the Company, his or her membership in the Strategy Committee shall lapse automatically, and the vacancy shall be filled by the person elected by the Board according to Articles 3 to 5 above.

Article 7 The Strategy Committee shall establish an investment review panel, the head of which shall be served by the chairperson of the Strategy Committee.

Chapter 3 Duties and Authorities

Article 8 The Strategy Committee shall have the following primary duties and authorities:

- (I) to study and make recommendations on the long-term development strategic planning of the Company;
- (II) to study and make recommendations on major investment and financing schemes which require the approval of the Board as required by the Articles of Association;
- (III) to study and make recommendations on major capital operations and asset management projects which require the approval of the Board as required by the Articles of Association;
- (IV) to study and make recommendations on other major issues that may affect the development of the Company;
- (V) to check the implementation of the above matters;
- (VI) to deal with other matters authorized by the Board.

Article 9 The Strategy Committee shall be accountable to the Board. The proposals provided by the Strategy Committee shall be submitted to the Board for consideration and approval.

Chapter 4 Decision-making Process

Article 10 The investment review panel shall be responsible for the preliminary preparatory work for the decision-making process of the Strategy Committee and providing the following information of the Company:

- (I) The person-in-charge of relevant departments of the Company or the subsidiaries or enterprises in which the Company has equity interests shall submit information about significant investment and financing, capital operation, intentions of assets operation projects, preliminary feasibility reports and general information of the partners;
- (II) The investment review panel shall carry out preliminary review and put forward a written opinion on the approval of the project, which shall be filed to the Strategy Committee;

(III) The relevant departments of the Company or the subsidiaries or enterprises in which the Company has equity interests shall report the external investment agreements, contracts, articles of association, feasibility reports, etc. to the investment review panel;

(IV) The investment review panel shall conduct a review thereon, issue a written opinion, and make a formal proposal to the Strategy Committee.

Article 11 The Strategy Committee shall convene meetings based on the proposal submitted by the investment review panel for discussion and the discussion result shall be submitted to the Board and reflected to the investment review panel.

Chapter 5 Rules of Procedures

Article 12 A notice shall be given to all members three days before the date of a meeting of the Strategy Committee. The meeting shall be presided over by the chairperson of the Strategy Committee, and in case the chairperson is unable to attend, he or she may appoint another member of the Strategy Committee (the member should be an independent non-executive director) to preside over the meeting on his or her behalf. Such notice may be waived with the unanimous consent of all members of the Strategy Committee.

Article 13 The quorum of a meeting of the Strategy Committee shall be not less than two-thirds of the members. Each member shall have one vote. A resolution of the meeting must be passed by more than half of all the members of the Strategy Committee.

Article 14 Voting at a meeting of the Strategy Committee shall be taken by a poll. An extraordinary meeting may be convened in the form of vote by communications.

As long as all the members may fully express their opinions, the Strategy Committee may pass a written resolution without convening a meeting, provided that it shall comply with the advance notice requirements of these terms of reference and such resolution shall be circulated to all members of the Strategy Committee. After the resolution was signed by such number of people required to pass a resolution under these terms of reference, such resolution shall come into effect on the date the resolution was signed by the last signing member.

Article 15 The Strategy Committee may invite directors, supervisors and other senior management of the Company to attend its meetings if necessary.

Article 16 The Strategy Committee may, if necessary, engage an intermediary to provide professional advice on its decision-making at the cost of the Company.

- Article 17** The procedures for convening of a meeting of the Strategy Committee, its voting methods and resolutions to be passed at such meeting must comply with the provisions of relevant laws, regulations, the Articles of Association and these terms.
- Article 18** The Strategy Committee shall keep minutes of the meetings. Members present at the meetings shall sign the minutes of the meetings that shall be kept by the secretary of the Company.
- Article 19** Resolutions passed and voting results at a meeting of the Strategy Committee shall be reported in writing to the Board of the Company.
- Article 20** Members of the Strategy Committee present at a meeting shall keep confidential all matters discussed at the meeting and shall not disclose such information without authorization.

Chapter 6 Supplementary Provisions

- Article 21** These terms of reference shall come into effective and be implemented upon the initial public offering of the overseas-listed foreign shares of the Company and from the date of its listing and trading on The Stock Exchange of Hong Kong Limited. The Terms of Reference of the Strategy Committee of the Board of the Company that are currently in force shall automatically lapse from the effective date of these terms of reference.
- Article 22** In case of any inconsistency with the Chinese version of these terms, the Chinese version shall prevail.
- Article 23** For any matters not covered in these terms of reference, the relevant laws and regulations, the Listing Rules, other requirements of the Hong Kong securities regulatory authority, and the relevant provisions of the Articles of Association shall apply. If the relevant provisions of these terms contravene with the laws and regulations, the Listing Rules, other requirements of the Hong Kong securities regulatory authority and the Articles of Association as enacted or amended in the future, such relevant laws and regulations, the Listing Rules, other requirements of the Hong Kong securities regulatory authority, and the existing or revised Articles of Association shall prevail.
- Article 24** The power of interpretation of these terms of reference shall be vested in the Board of the Company.