

# Beijing Chunlizhengda Medical Instruments Co., Ltd.\*

## Rules of Procedures of Strategy Committee

### Chapter 1 General Provisions

- Article 1** To strengthen the decision-making procedures of the board of directors (the “Board”) of Beijing Chunlizhengda Medical Instruments Co., Ltd.\* (the “Company”), enhance the supervision from the board of directors of the Company to the management team, and optimize the Company’s governance structure, the Strategy Committee of the board of directors (the “Committee”) was formed and these rules of procedures are formulated in accordance with the Company Law of the People’s Republic of China (“Company Law”), the Corporate Governance Standards for Listed Companies, the Articles of Association of Beijing Chunlizhengda Medical Instruments Co., Ltd.\* (the “Articles of Association”) and other relevant rules, administration regulations and regulatory documents.
- Article 2** The Strategy Committee is a special working unit established by the board of directors according to the resolutions of the general meeting, which is mainly responsible for the research on the long-term development strategies, business and organizational development plans and significant investment decisions, as well as other material issues that may affect the development of the Company, and proposes to the board of directors; at the same time, it is responsible for the research of the external investment issue of the Company, and proposes to the board of directors.
- Article 3** These rules of procedures are suitable for the Committee and the personnel and departments related to these rules of procedures.

### Chapter 2 Constitution

- Article 4** The Strategy Committee shall comprise at least three directors.
- Article 5** The chairman and the members of the Strategy Committee are appointed and dismissed by the board of directors according to the laws and regulations and the procedures set out in the Articles of Association.
- Article 6** The Strategy Committee shall have a chairman responsible for leading the work of the Strategy Committee, whom shall be elected by the board of directors.
- Article 7** The term of office of the members of the Committee shall be the same as that of the directors. A member of the Committee may serve consecutive terms if he/she is being re-elected upon the expiry of his/her term of office. If any member ceases to be a director of the Company during his/her term of office, he/she shall automatically cease to hold the position of the member of the Committee. Member of the Committee may tender resignation to the board prior to the expiry of term with a written resignation report including a statement of the reasons for such resignation, and if necessary, the matters that shall be brought to the attention of the board of directors. Members of

the Committee may be adjusted during their terms of office according to the recommendation of the chairman of the board of directors and subject to the consideration and approval of the board of directors. In the event that the number of members of the Committee falls below the quorum provided in these terms of reference, the board of the directors shall fill the vacancy according to these rules of procedures, and the alternative member shall hold the same term of office as that of such director.

### **Chapter 3 Duties of the Committee**

**Article 8** The principal duties of the Strategy Committee are: to research and make suggestions for the long-term development strategies and the material investment decisions of the Company.

**Article 9** The principal duties of the chairman of the Strategy Committee are:

- (1) to convene and chair the meetings of the Committee, and sign the resolutions of the meetings;
- (2) to propose to hold a meeting;
- (3) to lead the Committee and ensure the effective operation and performance of duties of the Committee:
- (4) to ensure the Committee can make clear conclusion for every issue discussed, such conclusion includes: approvals, objections or further discussions with supplementary information;
- (5) to determine the agenda for every meeting of the Committee;
- (6) to ensure all members of the Committee understands the issues being discussed during the meetings of the Committee and ensure each member of Committee obtains complete and reliable information.

**Article 10** The principal duties of the Committee members are:

- (1) to attend the Committee meetings on time, raise opinions on the issues being discussed during the meetings and exercise the voting right;
- (2) to propose topics for discussion during the meetings of the Committee;
- (3) to attend or observe relevant meetings of the Company, conduct investigations and research, and obtain the required reports, documents, materials and other relevant information in order to perform their duties;
- (4) to fully understand the responsibilities of the Committee and those as a member of the Committee, and be familiar with the Company's operation and management conditions, business activities and development related to his/her responsibilities to assure his/her capacity for the performance of duties;
- (5) to guarantee that he/she has devoted sufficient time and attention to fulfil his/her responsibilities.

**Article 11** The Strategy Committee shall be accountable to the board of directors; and its proposals shall be submitted to the board of directors for considerations and approval. The Committee shall provide the board of directors with all the conditions, material and information of their research and discussion by means of a report, proposal and summary for the study and decision-making of the board of directors.

#### **Chapter 4 Rules of Meetings**

**Article 12** Meetings of the Strategy Committee shall be held when (1) the board of directors deems necessary; (2) the chairman of the Committee deems necessary; and (3) two or more Committee members propose such meeting.

The office of the board of directors of the Company shall notify all the Committee members before the meeting. A notice of the meeting is deemed to be delivered a member having attended the meeting and has not raised objection for non-receipt of the notice in advance before or during the meeting.

All meetings shall be chaired by the chairman of the Strategy Committee. The chairman of the Strategy Committee can appoint a member to chair the meeting if he/she is not available to attend this meeting.

**Article 13** The notice of the meeting should include the location and time of the meeting, the duration of the meeting, the meeting agenda, and the issues to be discussed, as well as the date of the notice. The notice of the meeting can be delivered by hand, facsimile, e-mail, or registered mail.

**Article 14** Meetings of the Committee may be held by way of on-site meetings or by means through which member of the committee participating in the meeting can communicate with each other simultaneously and instantaneously, and such participation shall constitute presence at a meeting as if those participating were present in person. The correspondence meetings include telephone conferences, video conferences and meetings to consider written proposals, etc.

**Article 15** The quorum of a meeting of the Strategy Committee shall not be less than half of the members (including proxies appointed in writing). Each member shall have one vote. A resolution of the meeting shall be passed by more than half of the members.

**Article 16** Voting at the meeting of the Strategy Committee shall be taken by a show of hands or other voting methods as determined by the chairman.

**Article 17** Directors of the Company, relevant senior management, relevant experts of the Company, or social experts, scholars as well as intermediary agencies and relevant personnel may be invited to attend the meetings of the Strategy Committee when necessary. Such persons being invited shall give explanations and elaboration on relevant matters at the request of the Committee members. The directors of the company who are not a member of the Committee may attend the Committee meetings in non-voting capacity.

**Article 18** The Strategy Committee may appoint intermediaries when necessary to provide professional opinions thereto at the expense of the Company.

**Article 19** The convening procedures, voting methods and the resolutions to be approved at the meetings of the Committee shall comply with the relevant laws, regulations, the Articles of Association, and these rules of procedures.

**Article 20** The Strategy Committee shall keep minutes of its meetings, and the minutes of the meetings shall be prepared by the office of the board of directors, which shall include the following content:

- (1) method, date and place to convene the meetings, and the name of the host of the meeting;
- (2) attendance of members in person and by proxy;
- (3) agenda of the meeting;
- (4) resolutions being considered and put into vote at the meeting;
- (5) name of the person taking minutes.

The members present at the meeting, the secretary to the board of directors and other relevant personnel attending the meeting without voting right shall sign the minutes of the meeting of the Committee. The minutes of the meeting shall be sent to all members of the Committee within a reasonable time after the meeting for their comments; the secretary to the board of directors of the Company shall keep it in accordance with the Company's file management system.

**Article 21** Any resolutions passed and the result of any polls taken at a meeting of the Strategy Committee shall be reported in writing to the board of directors.

**Article 22** If a member of the Committee is interested in any matter being considered by the Committee, such member shall abstain from voting of such matter.

**Article 23** All persons attending the meetings of the Committee shall keep all matters discussed at the meetings confidential and shall not disclose any such information without authorization.

**Article 24** All members of the Committee shall attend the meeting in person. If a member is unable to attend the meeting in person, such member shall, by signing and submitting a letter of proxy, authorize another member of the Committee to attend and express opinion at the meeting on his/her behalf. Such letter of proxy shall expressly state the scope and term of the authorization.

**Article 25** The member attending a meeting on behalf of another member shall exercise the rights within the scope of authorization. If a member does not attend a meeting in person or authorize another member to exercise the rights on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting, he/she shall be deemed to have waived his/her rights.

**Article 26** A member who is unable to attend a meeting in person may also exercise his/her rights by submitting in writing his/her opinion with respect to any matter on the meeting agenda, provided that such written opinion shall be submitted to the office of the board of directors before the meeting.

**Article 27** If a member does not attend a meeting in person or authorize another member to attend such meeting on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting on two consecutive occasions, or if such member fails to attend in person 3/4 of all meetings of the Committee held during any year, such member shall be deemed incapable of performing the duties of the Committee, and the board of directors may replace him/her in accordance with these rules of procedures.

### **Chapter 5 Coordination and Communication**

**Article 28** In the event that the Strategy Committee encounter any significant or special matters that required to be considered by the board of directors for study when the board of directors is in recess, it may submit a written report to the board of directors through the secretary to the board of directors and may propose to the chairman of the board of director to convene a board meeting for discussion.

**Article 29** Any written report submitted by the senior management to the Strategy Committee shall be signed and issued by the general manager or executive in charge of the relevant matter and submitted to the Strategy Committee through the secretary to the board of directors or the office of the board of directors.

**Article 30** Written reports submitted by the Strategy Committee to the board of directors shall be signed and issued by the chairman or a member authorized by him/her, and shall be submitted to the board of directors through the secretary to the board of directors.

**Article 31** In the event that the senior management of the Company encounters any significant or special matter when the Strategy Committee is in recess, it may submit a written report to the Strategy Committee through the secretary to the board of directors or the office of the board of directors and may propose to the chairman of Strategy Committee to convene a meeting for discussion.

**Article 32** The Strategic Committee shall report to the board of directors by the chairman or a member authorized by him/her on the work of the Strategic Committee since the last regular board meeting or make a thematic presentation on a particular issue.

## **Chapter 6 Working Bodies of the Committee**

**Article 33** The secretary to the board of directors of the Company shall be responsible for organising and coordinating the work between the Committee and other relevant departments; the secretary to the board of directors shall attend the meetings of the Committee without any voting right.

**Article 34** The office of the board of directors of the Company shall cooperate with other relevant departments of the Company to facilitate the effective implementation of relevant work of the Committee.

**Article 35** The office of the board of directors is responsible for the affairs of the Committee such as preparing and issuing the notice of meeting.

The functional departments of the Company shall be responsible for preparing and providing relevant materials required for the consideration of the matters on the agenda and for liaising with relevant departments (including the relevant experts of the Company or external experts, scholars and intermediary agencies appointed during the course of the consideration by the Committee of relevant matters).

Relevant departments of the Company are responsible to provide the Committee with services for work and provide support and coordination for the work the office of the board of directors and other relevant departments.

## **Chapter 7 Supplementary Provisions**

**Article 36** These rules of procedures shall become effective upon consideration and approval of the board of directors of the Company, and any amendments hereto.

**Article 37** Any matters not covered by these rules of procedures shall be subject to the relevant laws, regulations and regulatory documents of the state as well as the Articles of Association; in case of any discrepancy between these rules of procedures and the relevant laws, regulations and regulatory documents of the state as well as the Articles of Association, the relevant laws, regulations and regulatory documents of the state as well as the Articles of Association shall prevail.

**Article 38** All references to “above”, “within”, and “below” in these rules of procedures shall be inclusive of all stated figures; all references to “over”, “less than”, “beyond”, “below”, and “more than” in these rules of procedures shall be exclusive of all stated figures.

**Article 39** These rules of procedures shall be interpreted by the board of directors.

**Beijing Chunlizhengda Medical Instruments Co., Ltd.\***

*Board of directors*

\* For identification purposes only