



Lee's Pharmaceutical Holdings Limited

李氏大藥廠控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 950)

(the "Company")

TERMS OF REFERENCE OF THE MANAGEMENT COMMITTEE

1. Membership

- 1.1 The Management Committee (the "**Committee**") shall be appointed by the board (the "**Board**") of directors (the "**Directors**") of the Company and shall comprise a minimum of 6 members (the "**Members**") and at least 2 of which shall be executive Directors.
- 1.2 The Members shall be executive Directors or key management personnel of the Company.
- 1.3 The Board shall appoint the chairman of the Committee (the "**Chairman**"). The Chairman shall be an executive Director.
- 1.4 The term of each appointment to the Committee shall be determined by the Board upon appointment.

2. Secretary

- 2.1 The company secretary of the Company shall be the secretary of the Committee.
- 2.2 The Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Committee.

3. Meetings

- 3.1 Meetings shall be held as and when the Committee considers fit and necessary and not less than two times a year.
- 3.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be sent to each Member, and to any other person required to attend in relation to all regular meetings of the Committee, at least 14 days before the date of the meeting; and in relation to continued meetings held within 14 days, no prior notice is required.

* For identification purpose only

- 3.3 The quorum of Committee's meeting shall be any two Members.
- 3.4 Meetings can be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment or through electronic means of communications by means of which all persons participating in the meeting are capable of hearing each other.
- 3.5 Resolutions of the Committee at any meetings shall be passed with a majority of votes of the Members present.
- 3.6 Resolutions in writing signed by all Members will be treated valid as if it has been passed at a meeting of the Committee duly convened and held.
- 3.7 Full minutes of meetings of the Committee shall be kept by the secretary of the Committee and shall be available for inspection by any Member and/or any Director at any reasonable time on reasonable notice. Draft and final versions of minutes of the Committee meetings shall be sent to all Members for their comment and records within a reasonable time after the meeting. Once these are agreed, the secretary of the Committee shall circulate the minutes and reports of the Committee to all members of the Board.

4. Duties and responsibilities

The duties and responsibilities of the Committee shall include the followings:

- 4.1 to oversee the management and the administrative functions of the day-to-day operations of the Group;
- 4.2 to review the documents from the senior management of the Company on issues relating to its operation, management, strategies and developments (such as vision, mission, and annual strategy of the Company) on a regular basis and make recommendations to the Board regarding any proposed changes;
- 4.3 to identify market changes and competition or make recommendations to the Board on issues relating to the Company's operation, management, strategies and developments, such as Company's market positions, pricing strategies, new markets and strategic partnerships;
- 4.4 to make recommendations to the Board on matters relating to the Company's operation, management, strategies and developments;
- 4.5 to handle such other matters as delegated by the Board from time to time; and

4.6 to perform all such duties and all such acts in relation to paragraphs above pursuant to the Company's Articles of Association and all applicable statutory rules and regulations in force from time to time.

5. Reporting responsibilities

5.1 After each meeting, the Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

6. Authority

6.1 The Committee is authorised by the Board to perform its duties within its terms of reference and all employees of the Group are directed to cooperate with the Committee. The Committee is authorised to require the management of the Company to provide all necessary information and/or materials requested by the Committee as may be required for performing its duties.

6.2 The Committee is authorised by the Board to obtain outside legal or other independent professional advice at the expenses of the Company and to invite the attendance of outsiders with relevant experience and expertise at the Committee meetings if it considers necessary.

6.3 The Committee shall be provided with sufficient resources to perform its duties.