

# Touyun Biotech Group Limited

## (the “Company”)

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### Terms of Reference – Executive Committee

#### 1. **Constitution**

The board of directors (the “**Directors**”) of Touyun Biotech Group Limited (the “**Board**”) has resolved to establish the executive committee of the Company (the “**Committee**”) on 23 August 2012 and has adopted the following as the terms of reference of the Committee.

#### 2. **Membership**

- 2.1 Membership of the Committee shall comprise: (a) all Directors for the time being designated by the Board as executive Directors; and (b) all person(s) appointed by the Board as additional member(s) pursuant to Clause 2.2 of these Terms of Reference.
- 2.2 The Board may by resolution appoint additional member(s) to the Committee either to take part generally in all matters of the Committee or in such matter(s) as the Board may specify for his appointment. An additional member shall cease to be a member of the Committee upon the expiry of the term specified by the Board for his appointment, or if no such term is specified, upon revocation of his appointment by resolution of the Board.

#### 3. **Chairman and Secretary of the Committee**

- 3.1 The chairman of the Committee shall be appointed by the Board from amongst the members of the Committee.
- 3.2 The company secretary for the time being of the Company shall act as the secretary of the Committee (the “**Committee Secretary**”) provided that the Committee may, from time to time, appoint another person with the appropriate qualification and experience as the Committee Secretary. The Committee Secretary or in his/her absence, his/her representative or any one member of the Committee, shall be the secretary of the meeting.

#### 4. **Frequency of Meetings**

The Committee shall meet as and when it is necessary.

#### 5. **Conduct of Meetings**

- 5.1 Unless specified by these terms of reference, meetings and proceedings of the Committee shall be governed by the Company’s bye-laws regulating the meetings and proceedings of the Directors.

- 5.2 The quorum at a meeting of the Committee shall be any two members of the Committee who are executive Directors. Meetings could be held in person, by telephone or by video conference. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 5.3 Resolutions of the Committee at any meetings shall be passed by a majority of votes of the members of the Committee present. Subject to compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the applicable laws and regulations, a resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.
- 5.4 The Committee may invite any member of the management of the Company (the “**Management**”), any Director, external advisers or any other persons to attend all or part of any meetings as the Committee considers appropriate, notwithstanding that the aforementioned persons shall not have a right to vote at such meetings.
- 5.5 Each member of the Committee shall disclose to the Committee:
- 5.5.1 any personal financial interest (other than as a shareholder of the Company) in any matter to be decided by the Committee; or
- 5.5.2 any potential conflict of interest arising from directorships held in other companies.

Any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions, and shall (if so required by the Board) resign from the Committee.

## **6. Authority**

- 6.1 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.
- 6.2 The Committee is authorised by the Board to obtain legal and other independent professional advice as it considers necessary to perform its duties.
- 6.3 The Management is obliged to supply the Committee with adequate information in a timely manner, in order to enable it to make informed decisions. The information supplied must be complete and reliable. Where a member of the Committee requires more information than the information provided voluntarily by the Management, the relevant member of the Committee should make additional necessary enquiries. Each member of the Committee shall have separate and independent access to the Management.
- 6.4 The Committee shall be provided with sufficient resources to perform its duties.

## **7. Duties**

The duties of the Committee shall include, without limitation, the following:

- (a) To discuss and make decisions on matters relating to the management and daily operations of the Company;

- (b) To review and discuss any other matters, as may from time to time, be delegated by the Board; and
- (c) To delegate at any time and from time to time to any person or sub-committee(s) comprising such members as it sees appropriate, any of its powers and functions conferred on it.

## **8. Reporting Procedures**

- 8.1 The Committee Secretary shall, at the beginning of each meeting, ascertain and record the existence of any conflicts of interest and minute them accordingly. The relevant member of the Committee shall not be counted towards the quorum and he must abstain from voting on any resolution of the Committee in which he or any of his associates has a material interest, unless the exceptions set out in note 1 to Appendix 3 of the Listing Rules apply.
- 8.2 Full minutes of the Committee's meetings, all written resolutions of the Committee and individual attendance of members of the Committee, on a named basis, at meetings held during that financial year should be recorded and kept by the Committee Secretary and shall be available for inspection at any reasonable time on prior reasonable notice by any Director.
- 8.3 The Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless prohibited by applicable laws and regulations.

## **9. Powers of the Board**

The Board may, subject to compliance with the bye-laws of the Company and the Listing Rules (including the Corporate Governance Code set out in Appendix 14 to the Listing Rules), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.