

CHINA RESOURCES PHARMACEUTICAL GROUP LIMITED
(華 潤 醫 藥 集 團 有 限 公 司)

(Incorporated in Hong Kong with limited liability)

Terms of Reference for Corporate Governance Committee

(adopted on 14 September 2016)

Definitions

1. For the purposes of these terms of reference (the “**Terms**”):

Board means the board of directors of the Company.

Company means China Resources Pharmaceutical Group Limited.

Company Secretary means the company secretary of the Company.

Corporate Governance Committee means the corporate governance committee established by resolution of the Board in accordance with clause 2 of these Terms.

Directors mean the members of the Board.

Group means the Company and its subsidiaries from time to time, and, for the period before the Company became the holding company for such subsidiaries, the entities which carried on the business of the Group.

Senior Management means the executive Directors and other members of senior management referred to in the Company’s prospectus issued in connection with its initial listing on the Stock Exchange or in its most recent annual report and any such other officer of the Group determined by the Board from time to time as senior management of the Company.

Shareholders mean the shareholders of the Company.

Stock Exchange means The Stock Exchange of Hong Kong Limited.

Constitution

2. The Corporate Governance Committee was established by resolutions of the Board on 20 May 2016.

Membership

3. The members of the Corporate Governance Committee shall be appointed by the Board from among the non-executive Directors and executive Director of the Company and shall consist of not less than three members. There shall be one chairman of the Corporate Governance Committee who shall be appointed by the Board.
4. The Company Secretary shall be the secretary of the Corporate Governance Committee. The Corporate Governance Committee may, from time to time, appoint any other person with the appropriate qualification and experience as secretary of the Corporate Governance Committee.

Frequency and conduct of meetings

5. Meetings shall be held at least once a year. The chairman of the Corporate Governance Committee shall convene a meeting upon request by any member of the Corporate Governance Committee.
6. Notice of any meetings shall be given at least 2 days prior to any such meeting being held, unless the members of the Corporate Governance Committee attending a particular meeting in person unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a member of the Corporate Governance Committee shall be deemed waiver of the requisite length of notice by such member. An agenda and accompanying meeting papers should be delivered in full to all members in a timely manner and at least 1 day before the intended date of a meeting of the Corporate Governance Committee (or such other period as agreed by its members). The agenda and accompanying meeting papers may be in paper form or electronic form, and may be delivered by post, by email or any other delivery method that could be received by members.
7. The quorum for meetings of the Corporate Governance Committee shall be two members. Members shall attend the meetings in person, or by telephone (or other similar communication equipment), as long as all the attendants of the meeting could listen and talk among themselves during the meeting. Under such circumstances, the attendants shall be considered as attending the meeting in person, counted in the quorum and entitled to vote.

8. Each member shall have one vote. Resolutions of the Corporate Governance Committee at any meetings shall be passed by a majority of votes of the members of the Corporate Governance Committee present. A resolution in writing signed by all the members of the Corporate Governance Committee shall be as valid and effectual as if it had been passed at a meeting of the Corporate Governance Committee duly convened and held.
9. The Senior Management is obliged to supply the Corporate Governance 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 Corporate Governance Committee requires more information than is volunteered by the Senior Management, the relevant member of the Corporate Governance Committee should make additional necessary enquiries. The Corporate Governance Committee and each of its members shall have separate and independent access to the Senior Management.

Duties

10. The duties of the Corporate Governance Committee shall include:
 - (a) developing and reviewing the policies and practices of the Company on corporate governance and make such recommendation to the Board;
 - (b) reviewing and monitoring the training and continuous professional development of Directors and senior management on corporate governance;
 - (c) reviewing and monitoring the policies and practices of the Company on compliance with legal and regulatory requirements and making recommendation to the Board with regard to any changes;
 - (d) developing, reviewing and monitoring the code of conduct and corporate compliance manual applicable to employees and Directors;
 - (e) reviewing the Company's compliance with the corporate governance code and disclosure in the corporate governance report; and
 - (f) doing other matters related to corporate governance as instructed by the Board from time to time.

Authority

11. In fulfilling the aforesaid duties, the Corporate Governance Committee has the following authorities:
 - (a) investigating any activity related to non-compliance of corporate governance code and disclosure in the corporate governance report under the instruction of the Board. The Corporate Governance Committee can seek any information it requires during the aforesaid investigation; and
 - (b) obtaining outside legal or other independent professional advice related to non-compliance of corporate governance code and disclosure in the corporate governance report under the instruction of the Board. The Corporate Governance Committee can request outsiders with relevant experience and/or expertise to attend its meeting if it considers it is necessary.

Reporting procedures

12. Minutes of the Corporate Governance Committee's meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the Company Secretary), and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director.
13. Minutes of meetings of the Corporate Governance Committee shall record in sufficient detail the matters considered by the Corporate Governance Committee and decisions reached, including any concerns raised by Directors, members or dissenting views expressed. Draft and final versions of minutes of the meetings should be sent to all members of the Corporate Governance Committee for their comment and records within a reasonable time after the meetings.
14. Without prejudice to the generality of the duties of the Corporate Governance Committee set out in these Terms, the Corporate Governance Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.