

**B&K CORPORATION LIMITED**  
**華 芒 生 物 科 技 ( 青 島 ) 股 份 有 限 公 司**

*(A joint stock company established in the People's Republic of China with limited liability)*

**(Stock Code: 2396)**

(hereinafter referred to as the “**Company**”)

**TERMS OF REFERENCE OF  
THE INTERNAL CONTROL COMMITTEE**

**CHAPTER 1 GENERAL PROVISIONS**

**Article 1** In order to enhance the functions of the Board of B&K Corporation Limited (hereinafter referred to as the “**Company**”), improve the Company’s internal control system, refine its internal control procedures and corporate governance structure, and in accordance with the Company Law of the People’s Republic of China, the Articles of Association of B&K Corporation Limited (hereinafter referred to as the “**Articles of Association**”) and other relevant provisions, the Company hereby establishes the Internal Control Committee under the Board and formulates these Rules.

**Article 2** The Internal Control Committee of the Board is a specialized working body established by the Board pursuant to a resolution of the general meeting. It is primarily responsible for supervising and inspecting internal control matters, providing advisory opinions to the Board, and reporting to the Board.

**CHAPTER 2 COMPOSITION**

**Article 3** The Internal Control Committee shall be composed of the chairperson of the Board of the Company and all independent Directors.

**Article 4** The Internal Control Committee shall have a Chairperson (convener), who shall be the chairperson of the Board of the Company, responsible for presiding over the work of the Committee.

**Article 5** The term of office of the Internal Control Committee shall be the same as that of the Board. Upon expiry of their term, members may be re-elected for further terms. If any member ceases to be a director of the Company during his/her term of office, he/she shall automatically lose his/her membership, and the Committee shall fill the vacancy in accordance with Article 3 above.

## **CHAPTER 3 DUTIES AND AUTHORITIES**

**Article 6** The main duties and authorities of the Internal Control Committee are:

- (1) To supervise and inspect the formulation and implementation of the Company's internal control system;
- (2) To review the Company's internal control and compliance governance, including but not limited to the execution of the Company's external contracts and the corresponding deliberation and decision-making processes, and to report to the Board annually;
- (3) To review the Company's internal control evaluation report;
- (4) Other matters authorized by the Board of the Company.

**Article 7** The Internal Control Committee is accountable to the Board. Proposals from the Committee shall be submitted to the Board for deliberation and decision.

## **CHAPTER 4 RULES OF PROCEDURE**

**Article 8** The Internal Control Committee shall hold meetings as required, but shall hold at least one meeting annually. Meeting notices shall be delivered to all members five days prior to the meeting. For interim meetings, notices shall be delivered to all members three days in advance. However, the aforementioned notice periods may be waived under particularly urgent circumstances. Meetings of the Internal Control Committee shall be convened and presided over by the Chairperson. If the Chairperson is unable to attend, he/she may authorize another independent Director member to preside.

**Article 9** A meeting of the Internal Control Committee shall only be held if more than two-thirds of its members are present. Each member shall have one vote. Resolutions of the Committee require the approval of more than half of all its members.

**Article 10** Resolutions at meetings of the Internal Control Committee shall be passed by a show of hands or by ballot; interim meetings may be held by means of correspondence voting.

**Article 11** Directors, Supervisors and other senior management personnel of the Company may be invited to attend meetings of the Internal Control Committee as non-voting attendees.

**Article 12** If necessary, the Internal Control Committee may engage intermediaries to provide professional advice for its decision-making, with the relevant costs borne by the Company.

**Article 13** The convening procedures, voting methods, and resolutions passed at meetings of the Internal Control Committee must comply with the relevant laws, regulations, the Articles of Association and these Rules.

**Article 14** Minutes shall be taken for meetings of the Internal Control Committee. Members present at the meeting shall sign the minutes. The minutes shall be kept by the secretary to the Board of the Company.

**Article 15** Resolutions passed and voting results of the Internal Control Committee meetings shall be reported to the Board of the Company in writing.

**Article 16** All persons attending the meetings shall have a duty of confidentiality regarding the matters discussed and shall not disclose any related information without authorization.

## **CHAPTER 5 SUPPLEMENTARY PROVISIONS**

**Article 17** These Rules shall be considered and approved by the general meeting and shall become effective upon such approval. Any amendments hereto shall be considered and approved by the Board.

**Article 18** Matters not covered herein shall be handled in accordance with relevant national laws and regulations and the provisions of the Articles of Association. In the event of any discrepancy between these Rules and any laws or regulations promulgated by the state hereafter, or the Articles of Association as amended through due legal procedures, the relevant national laws and regulations and the provisions of the Articles of Association shall prevail. These Rules shall be revised immediately and submitted to the Board for consideration and approval.

**Article 19** The power of interpretation of these Rules resides with the Board.