FOSUN PHARMA
复星医药

上海復星醫藥（集團）股份有限公司

Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*

(the "Company")

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

[illegible]

[illegible]

Article 1 In order to assure the sustainable, regulated and healthy development of the Company, further improve the structure of corporate governance, reinforce the scientific nature in the decision making of the board of directors, enhance the efficiency of significant investment and the standard of decision making, conduct a professional audit in advance, ensure the in-depth understanding and effective control of the Company's business management and financial position by the board of directors and achieve the effective supervision over the management, the Company has established the Audit Committee under the board of directors and has formulated these Rules in accordance with the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies in China, the Articles of Association of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (hereafter referred to as the "Articles"), the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (hereafter referred to as the "SSE Listing Rules"), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereafter referred to as the "SEHK Listing Rules") and other relevant legislation.

Article 2 The Audit Committee is a special body established by the board of directors pursuant to the resolution of the general shareholders' meeting, mainly responsible for the communication, supervision and verification of the audit of the Company, internal and external.

[illegible]

Article 3 The Audit Committee shall comprise three directors, the majority of whom shall be independent non-executive directors. At least one of the members shall be an independent non-executive director, who [illegible] an accountant [illegible].

A former partner of the Company's existing auditing firm shall be prohibited from acting as a member of the Audit Committee for a period of 2 years from the date of the person ceasing:

(1) to be a partner of the firm; or

(2) to have any financial interest in the firm,

whichever is later.

Article 4 Members of the Audit Committee shall be nominated by the chairman of the board of directors, more than one-half of the independent non-executive directors or more than one-third of all directors. The election and removal of members shall be passed by a majority votes of the members of the board of directors.

Article 5 The Audit Committee shall have one chairman (convener), who shall be acted by an independent non-executive director; [illegible] the committee. The chairman of the committee shall be elected and removed by a majority votes of the members of the board of directors.

Article 8 The mandate and duties of the Audit Committee are:

(1) Relation with the external auditor of the Company

a. to be primarily responsible for making recommendation to the board of directors on the appointment, reappointment and removal of the external auditor; and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;

b. to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences;

c. to develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally; and

d. the Audit Committee should report to the board of directors, identifying and making recommendations on any matters where action or improvement is needed.

(2) Review of the Company's financial information

a. to monitor integrity of the Company's financial statements and annual reports and accounts, half-year reports and quarterly reports, and to review significant financial reporting judgements contained in them. In reviewing the Company's annual reports and accounts, half-year reports and quarterly reports before submission to the board of directors, the Audit Committee should focus particularly on:

(a) any changes in accounting policies and practices;

(b) major judgmental areas;

(c) significant adjustments resulting from audit;

(d) the going concern assumption and any qualification;

(e) compliance with accounting standards; and

(f) compliance with the SSE Listing Rules, the SEHK Listing Rules and legal requirements in relation to financial reporting.

(3) In regard to the above, the Audit Committee shall perform the following procedure:

i. members of the Audit Committee should liaise with the board of directors and senior management and the Audit Committee must meet, at least twice a year, with the external auditor; and

ii. the Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, it should give due consideration to any matters that have been raised by the Company's supervisory committee or staff responsible for the accounting and financial

v. to review the Company's financial and accounting policies and practices;

vi. to review the external auditor's management letter, any material queries raised by the external auditor to management about accounting records, financial accounts or systems of control and management's response;

vii. to ensure that the board of directors will provide a timely response to the issues raised in the external auditor's management letter;

viii. to review arrangements by which employees can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Audit Committee should ensure that the Company has proper arrangements in place for fair and independent investigation of these matters and for appropriate follow-up action;

ix. to act as the key representative body for overseeing the Company's relations with the external auditor;

(5) Corporate governance:

i. to develop and review the Company's policies and practices on corporate governance;

ii. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

iii. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and

iv. to review the Company's compliance with the corporate governance code and disclosure in the Corporate Governance Report.

The Audit Committee should report to the board of directors on the above matters, and consider and handle other matters as referred to the Audit Committee by the board of directors.

Article 9 The Audit Committee is accountable to the board of directors and its proposed resolutions shall be submitted to the board of directors for consideration and decision. The committee shall co-ordinate with supervisors from the supervisory committee in audit practice.

Article 10 The audit department is primarily responsible for the Company's internal audit and internal control assessment.

(1) The scope of internal audit include:

i. Risk management and internal control audit;

ii. Economic [illegible] audit (including [illegible] audit);

iii. Investment business audit (including long-term equity investment, construction project and fixed asset investment and financial instrument investment etc);

iv. Compliance audit;

v. [illegible] audit; and

vi. Other audit matters.

(2) The scope of internal control assessment include:

Lead and organize the internal control assessment work of the Company and its subsidiaries.

Chapter 4 [illegible]

Article 11 The secretary of the Audit Committee shall be responsible for undertaking other preparatory work for decision making by the Audit Committee, and for providing relevant written information of the Company, including but not limited to:

(1) relevant financial reports of the Company;

(2) work reports of internal and external auditors;

(3) external audit contracts and relevant work reports;

(4) status of the Company's external disclosure of information;

(5) audit reports of the Company's significant connected transactions;

(6) other audit matters requested by the board of directors.

Article 12 The Audit Committee shall consider reports provided by the secretary of the Audit Committee and shall submit relevant written resolution and materials to the board of directors for discussion, the contents of which shall include but not limited to:

(1) evaluating the work of external auditors and their appointment and replacement;

(2) assessing the effective implementation of the Company's internal audit system and the authenticity of the Company's financial reports;

(3) assessing the objectivity and authenticity of financial and other information disclosed by the Company and the Company's compliance with the relevant laws and regulations in significant connected transactions;

(4) evaluating the work of the Company's finance and audit departments, including their person-in-charge;

(5) other relevant matters.

[illegible]

Article 13 Meetings of the Audit Committee shall include regular meetings and interim meetings. Regular meetings shall be convened at least four times a year or once a quarter; whereas interim meetings shall be convened upon proposal by the chairman of the committee or more than one-half of the members. Notice of meetings of the Audit Committee shall be made to all members in three days prior to the meeting. The meeting shall be presided over by the chairman of the committee and the chairman, if unable to attend, may appoint another independent non-executive director to preside over the meeting.

Article 14 Meetings of the Audit Committee shall be held by more than two-thirds of the members attending the meeting in person. Each member has one voting right. Resolutions adopted at the meeting shall be passed by more than one-half of all members (excluding members not present at the meeting).

Article 15 The Audit Committee may vote on a show of hands or on a poll at the meeting. Meetings may be convened in the form of communication over the [illegible], provided that the members may fully express their opinion.

Article 16 The secretary of the Audit Committee may sit in on the meetings of the committee. The committee may invite directors, supervisors, the CFO and relevant senior management of the Company who are not members to sit in on the meetings if it considers necessary, provided that those who are not members do not have voting rights over the resolution.

Article 17 The Audit Committee shall be provided with sufficient resources (including the services for seeking independent legal and professional advice) to perform its duties. Relevant departments of the Company shall give cooperation and the expenses incurred shall be borne by the Company.

Article 18 The procedures for convening the meetings, means of voting and resolutions passed at the meetings of the Audit Committee shall comply with the relevant laws, regulations, the Articles, the SSE Listing Rules, the SEHK Listing Rules and the provisions of these Rules.

Article 19 The Audit Committee shall maintain minutes of the meetings, and the members attending the meetings shall sign on the minutes. The minutes shall be maintained by the secretary of the board of directors.

Article 20 Resolutions and voting results adopted at the meetings of the Audit Committee shall be reported to the board of directors in writing.

Article 21 Members attending and sitting in on the meetings shall keep confidentiality of all matters discussed at the meetings. Disclosure of the relevant information without the authorization of the board of directors shall be prohibited.

[illegible]

Article 22 In case of any matters that have not been covered under the Rules, the laws, regulations, rules, the Articles, the SSE Listing Rules and the SEHK Listing Rules shall govern.

Article 23 The Rules shall take effect from the date of consideration and approval by the board of directors.

Article 24 The right of interpretation of the Rules shall be vested in the board of directors.

Board of Directors
[illegible] ([illegible]) [illegible]., [illegible].*
27 December 2018

Note: If there is any inconsistency between the English and Chinese versions of this policy, the Chinese version shall prevail.

* *For identification purpose only*