

ByLaws of
United Foundation for China's Health

Chapter 1 General

1. The name of this foundation is United Foundation for China's Health.
2. This foundation is not qualified for public fundraising.
3. The purpose of the Foundation: To carry out charitable activities, not for profit. Provide medical assistance to the poor.

The Foundation abides by the Constitution, laws, regulations and national policies, practices the core values of socialism, observes the social morality, and consciously strengthens the construction of integrity and self-discipline.

4. The amount of the Foundation's original fund is 2 million RMB, donated by Beijing United Family Hospital Co. Ltd. and Roberta Lipson.
5. In accordance with the provisions of the Constitution of the Communist Party of China (CPC), the Foundation set up organizations of CPC to carry out activities of CPC, and provides necessary conditions for the activities of the Party organizations. Those which are temporarily not qualified for

setting up Party organizations separately can guide the work of the Party through the establishment of a joint Party organization or an instructor of Party construction work appointed by the higher Party organization. The Foundation invites the heads of the Party organizations to attend the management meeting of the Foundation. The Party organizations provide opinions on the important decisions, important business activities, large expenditures, the reception of large donations and foreign-related activities. The registration authority of the Foundation is Beijing Civil Affairs Bureau. The Foundation accepts the business guidance and supervision of the registration authority and the leading body of Party construction.

6. The residence of the Foundation is Room 2036, Building B7, Hengtong Business Park, No.10 Jiuxianqiao Road, Chaoyang District, Peking.

Chapter 2 Business Scope

7. The business scope of the Foundation's public welfare activities: to provide financial aid to orphans and disabled children, poor families, and elder people of no family, and provide medical assistance to the disabled.

Chapter 3 Organizational Structure and people in charge

8. The Foundation has a board of directors composed of 5-25 directors. Each term of office of the directors is five years. A director may serve consecutive terms if reelected upon expiration of his term of office.
9. The qualification of the Directors:
 - 1) Advocate the Foundation's Articles of Association, and be enthusiastic about the public welfare undertakings of the Foundation.
 - 2) Have working experience adapted to the work of the Foundation.
 - 3) Be able to perform due diligence and ensure that the use of donated property is in accordance with the wishes of donors and the Foundation's public welfare purposes, guarantee the safety of the Foundation's property, and also preserve and increase its value.
 - 4) No criminal record of harm to society
 - 5) With full civil capacity
10. The Determination and Dismissal of Directors
 - 1) Directors of the first term shall be nominated by the major donors and promoters, and jointly determined through

consultation.

- 2) At the general election of the directors, the board of directors and major donors shall jointly nominate candidates and organize the general leading group of all the candidates to elect the new directors.
- 3) Dismissal and addition of directors shall be approved by the board of directors by voting.
- 4) The results of the election and dismissal of the directors shall be reported to the registration authority for record.
- 5) Close relatives of the directors shall not serve concurrently on the board.

11. Rights and Obligations of Directors:

- 1) The right to elect, be elected and to vote in the Foundation;
- 2) The right to criticize, advise and supervise the Foundation;
- 3) Participate in the decision-making and guidance for the development of the Foundation;
- 4) Actively participate in and support the Foundation's charity activities;
- 5) Comply with the Articles of Association of the Foundation and safeguard the legitimate rights and

interests of the Foundation;

- 6) Maintain the social reputation and legal rights and interests of the Foundation;
- 7) Carry out the aim of the Foundation, implement the resolutions of the Foundation, and complete the tasks entrusted by the Foundation.

12. Board of directors, the decision-making organ of the Foundation, shall perform the following functions:

- 1) Formulate and amend the Articles of Association;
- 2) Elect and dismiss the chairman, vice chairman and secretary general;
- 3) Decide on the major business activity plans, including fundraising, management and use plans;
- 4) Annual income and expenditure budget, including final accounts validation;
- 5) Develop internal management system
- 6) Decide to set up administrative offices, branches and representative offices;
- 7) Decide on the appointment of the under-secretary-general nominated by the secretary-general and the major responsible people of the agencies;
- 8) Listen to and review the work report of the secretary

general and inspect the work of the secretary general;

9) Decide on the division, merger or termination of the Foundation;

10) Decide on other major issues.

13. The board of directors shall convene twice a year. The board meeting is convened and hosted by the chairman.

If there is proposal by one-third of directors, a board meeting must be held. If the chairman cannot convene, it is proposed that the directors elect the convener.

To hold a board meeting, the chairman or convener shall notify all directors and supervisors five days in advance.

14. The board of directors shall meet only if more than two thirds of directors are present; any resolution of the board of directors shall be approved by more than half of the directors present to be valid.

Resolutions with respect to the following important matters shall be subject to the voting by the directors present and approved by more than two thirds to be valid:

- 1) Amendment of the Articles of Association;
- 2) Election or dismissal of the chairman, vice chairman and secretary general;
- 3) The major fund-raising and investment activities

stipulated in the Articles of Association;

4) The Foundation's division or merger

15. The meeting minutes shall be made for the board meeting. If a resolution is formed, the meeting minutes shall be made on the spot, and shall be reviewed and signed by the attending directors. If the resolution of the board violates the provisions of laws, regulations or the Articles of Association, resulting in losses to the Foundation, the directors involved in the resolution shall bear the responsibility. However, if it is proved to be opposed at the time of voting and recorded in the meeting minutes, the director may be exempt from liability

16. The Foundation shall have a supervisor. The term of office of the supervisor shall be the same as that of the director, and may serve consecutive terms upon expiration of his term of office.

17. The close relatives of directors and the accountants of the Foundation shall not be appointed as supervisors

18. Determination and removal of supervisors

1) Supervisors shall be selected by the major donors;

2) The registration authority shall be selected according to the work needs;

- 3) Changes of supervisors shall be in accordance with the procedures for their determination

19. Rights and Obligations of Supervisors

- 1) Supervisors shall inspect the financial and accounting information of the Foundation in accordance with the procedures set forth in the Articles of Association and supervise the compliance of the board of directors with the laws and the Articles of Association.
- 2) Supervisors attend the board meetings and have the right to raise questions and suggestions to the board of directors, and should also report the situation to the registration authority, and taxation and accounting department.
- 3) Supervisors shall abide by relevant laws and regulations and the Articles of Association of the Foundation and faithfully perform their duties.

20. The number of directors who receive remuneration from the Foundation shall not exceed one third of the total number of directors. Supervisors and directors who do not hold full-time positions with the Foundation may not be remunerated from the Foundation.

21. When the directors have personal interests in connection with the interests of the Foundation, they shall not participate

in the decision-making of related matters; Directors and supervisors of the Foundation and their close relatives must not have any transactions with the Foundation.

22. The board of directors shall have chairman, vice chairman and secretary general elected from the board.
23. The chairman, vice chairman and secretary general of the Foundation should fulfill the following conditions:
 - 1) Have great influence on the business area of the Foundation;
 - 2) The chairman, the vice chairman and the secretary general shall not exceed 70 years old, and the secretary general shall be full-time;
 - 3) Enjoy good health, and be able to maintain normal work;
 - 4) Have full civil capacity.
24. A person who is in one of the following situations shall not serve as the chairman, vice-chairman, or secretary-general of the Foundation:
 - 1) Be part of the current national staff;
 - 2) Has been sentenced to control, criminal detention or fixed term imprisonment for a crime, and not exceeding five years from the date of completion of the sentence;
 - 3) During execution of being sentenced to deprivation of

political rights due to crime or was once deprived of political rights;

- 4) Once acted as the chairman, vice-chairman or secretary-general of a foundation whose registration has been revoked because of violation of law and has taken personal responsibility for the illegal activities of the Foundation, and not exceeding five years since the Foundation was revoked of.

25. Hong Kong residents, Macao residents, Taiwanese residents and foreigners serving as vice chairman or secretary general of the Foundation shall not stay less than three months each year in Mainland China.

26. The chairman, vice chairman and secretary-general of the Foundation shall serve five years for each term, and shall not serve more than two consecutive terms. If they need to serve more than two consecutive terms due to special circumstances, they must be approved by voting of the board of directors through special procedures. They shall be approved by the registration and management authority before serving.

27. The chairman is the legal representative of the Foundation. The legal representative of the Foundation does not

concurrently serve as the legal representative of other organizations.

The legal representative of the Foundation should be a resident of Mainland, China.

During the tenure of the legal representative of the Foundation, if the Foundation violated the *Foundation Management Regulations* and the Articles of Association, the legal representative shall bear relevant responsibilities. In the event of unlawful practices or property losses of the Foundation caused by breach of duty, the legal representative shall assume individual responsibility.

28. The chairman of the Foundation exercises the following powers:

- 1) Convene and preside over the board meetings;
- 2) Check the implementation of the resolutions of the board of directors;
- 3) Sign important documents on behalf of the Foundation;
- 4) Articles of Association and other powers conferred by the board of directors.

The vice chairman and the secretary-general carry out the work under the leadership of the chairman, and the secretary-general exercise the following powers:

- 1) Preside over the daily work, and organize the implementation of resolutions of the board of directors;
- 2) Organize the implementation of the Foundation's annual public welfare activity plan;
- 3) Draw up plans for the collection, management and use of funds;
- 4) Formulate the internal management rules and regulations of the Foundation;
- 5) Coordinate the work of various departments;
- 6) Propose to appoint or dismiss the under-secretary- general and person in charge of finance;
- 7) Propose to appoint or dismiss the principal persons in charge of each institution;
- 8) Decide on the employment of full-time staff in various agencies;
- 9) Articles of Association and other powers conferred by the board of directors.

Chapter 4 Property Management and Use

29. The Foundation's income comes from:

- 1) Voluntary donations from promoters;
- 2) Voluntary donations by natural persons, legal persons or

other organizations;

3) Investment income;

4) Other legal income.

30. If the Foundation accepts donations, it shall abide by laws and regulations and conform to the purposes and the business scope of public welfare activities stipulated in the Articles of Association.

31. The Foundation shall properly design charitable projects in line with the Foundation's purposes and relevant provisions of Articles of Association. It shall optimize the implementation process, reduce operating costs and improve the utilization efficiency of charitable assets.

32. The Foundation shall establish and improve the mechanisms for the decision-making, execution and supervision of charitable projects, establish scientific, standardized and effective requirements for the establishment, examination, implementation, control, evaluation and feedback of charity projects, and establish project management institutions, equipped with full-time staff to exercise project management responsibilities.

33. The Foundation shall determine the beneficiaries of charity in accordance with the principle of openness, fairness and

justice. Stakeholders of our management personnel shall not be beneficiaries.

34. If the Foundation want to carry out major charitable projects, it shall be approved through voting of the board of directors, and the number of consents shall not be less than 2/3 of the number of directors attending the meeting.

Major charitable projects of the Foundation include:

- 1) Charitable projects with a donation (fund) of over 1 million RMB;
 - 2) Charitable projects with an annual expenditure of 30% of the total expenditure;
 - 3) Foreign-related charity projects.
35. The use of project funds shall strictly comply with the provisions of the state financial accounting system and shall be earmarked for special purposes in accordance with the donation agreement.

The management and use of funds for charity projects shall conscientiously accept the supervision of the financial departments, auditing agencies, registration management organs and the general public, earnestly perform the obligation of information disclosure and accept social supervision.

36. The Foundation shall strengthen the file management of charitable projects, preserve the complete information of charitable projects and do a good job in archiving and filing charitable projects.

37. The property and other income of the Foundation shall be protected by law and no unit or individual may occupy, privately distribute or misappropriate it.

38. The Foundation shall use the property according to the purposes and the business scope of public welfare activities stipulated in the Articles of Association; donations whose specific uses are defined in the donation agreement shall be used in accordance with the donation agreement.

When the donated materials cannot be used for purposes consistent with the purposes of the Foundation, the Foundation may auction or sell them according to the law, and the proceeds shall be used for donation purposes.

39. The Foundation property is mainly used:

- 1) To carry out work within the scope of public welfare activities of the Foundation;
- 2) The Foundation's management fees, etc.

40. The major fundraising, major asset changes, major investments, and major transactions and capital flow of the

Foundation refer to:

- 1) One-off fundraising activity of more than 1 million RMB;
- 2) One-off investment activity of more than 1 million RMB;
- 3) Asset change of 1 million RMB;
- 4) Transaction and capital flow of 1 million RMB;
- 5) Other activities that the board of directors considers as major fundraising, major asset changes, major investments, and major transactions and capital flow.

41. The Foundation shall maintain and increase the value of funds in accordance with the principles of legality, safety and effectiveness.

42. The Foundation's annual expenditure on charitable activities shall be in compliance with relevant national laws and regulations.

The management fees of the Foundation shall be in compliance with relevant national laws and regulations.

43. The Foundation shall carry out public welfare assistance projects, and publicize the types of public welfare assistance projects and procedures for applying for and appraising them.

44. Donors shall have the right to inquire with the Foundation about the usage and management of the donated property,

and make comments and suggestions. For inquiries of donors, the Foundation shall reply promptly and truthfully.

If the Foundation uses the donated property in violation of the donation agreement, the donor shall have the right to request the Foundation to comply with the donation agreement or apply to the people's court to revoke the donation, and terminate the donation agreement.

45. The Foundation may sign an agreement with the aided person to agree on the way of funding, the amount of fund as well as the purpose and use of the fund.

The Foundation reserves the right to supervise the use of funds. If the aided person fails to use the fund agreed upon in the agreement or otherwise violates the agreement, the Foundation reserves the right to rescind the funding agreement.

46. The Foundation shall implement the national unified accounting system, conduct accounting with the law, establish and improve the internal accounting supervision system, and ensure that the accounting information is legal, truthful, accurate and complete.

The Foundation shall accept the tax and accounting supervision by the taxation and accounting department

according to the law.

47. The Foundation is equipped with professional accounting personnel. Accountants shall not serve concurrently as cashiers. When an accountant changes or leaves his/her job, he/she must fulfill the handover procedures with the person to take over his/her post.
48. January 1st to December 31st every year is the business and fiscal year of the Foundation. Before March 31st each year, the board of directors shall review the following matters:
 - 1) The business report and final accounts of revenue and expenditure of the previous year;
 - 2) The business plan and budget for revenue and expenditures of the current year;
 - 3) Property inventory.
49. The Foundation shall conduct annual inspection, general election, legal representative replacement and liquidation, and shall conduct financial audits.
50. The Foundation shall accept the annual report work organized by the registration authority in accordance with the *Charity Law, Information Disclosure Methods for Charitable Organizations* and other laws and regulations.
51. The Foundation shall perform its information disclosure

obligations in accordance with the law, publish the annual work report and financial accounting report in the media designated by the registration authority, and accept the public inquiries and supervision.

Chapter 5 Termination and Treatment of Remaining Property

52. The Foundation shall be terminated in any of the following circumstances:
- 1) It has completed the purpose stipulated in the Articles of Association;
 - 2) It fails to continue to engage in charitable activities in accordance with the purposes stipulated in the Articles of Association;
 - 3) It is divided or merged;
 - 4) Other cases decided by the board of directors.
53. If the Foundation is terminated, it shall apply to the registration authority for cancellation of registration within 15 days after the voting is passed by the board of directors.
54. Before handling the cancellation of registration, the Foundation shall, under the guidance of the registration authority, set up a liquidation organization to complete the

liquidation work.

The Foundation shall handle the cancelation of registration with the registration authority within 15 days from the date of completion of liquidation; it shall not carry out activities other than liquidation during the liquidation period.

55. The remaining property after the liquidation shall be transferred to charitable organizations with the same or similar purposes in accordance with the provisions of the Articles of Association. If there is no such provisions in the Articles of Association, the civil affairs departments shall transfer the remaining property to the same or similar charitable organizations and make an announcement to the public.

Chapter 6 Amendment to the Articles of Association

56. The amendments to the Articles of Association shall be submitted to the registration authority for approval within 15 days after the vote is passed by the board of directors.

Chapter VII Supplementary Provisions

57. These Articles of Association have been approved by the board of directors on October 22nd, 2018.

58. The right of interpretation belongs to the board of directors.

59. These Articles of Association shall take effect as of the date of approval by the registration authority.