

**Fujian Haixi Pharmaceuticals Co., Ltd.**  
**Rules of Procedure for Meeting of the Board of Directors**

May 2026

## **Contents**

Chapter 1	General Provisions .....	3
Chapter 2	Composition and Functions and Powers of the Board of Directors .....	3
Chapter 3	Convening of Board Meetings .....	9
Chapter 4	Voting at the Meetings of the Board of Directors .....	15
Chapter 5	Execution and Feedback of the Resolutions of the Board of Directors .....	19
Chapter 6	Supplementary Provisions .....	20

## **Chapter 1 General Provisions**

**Article 1** In order to improve the corporate governance structure of Fujian Haixi Pharmaceuticals Co., Ltd. (hereinafter referred to as the “Company”), standardize the discussion methods and decision-making procedures of the board of directors of the Company, urge the directors and the board of directors to effectively perform their duties, improve the standardized operation and scientific decision-making level of the board of directors, the Rules are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Articles of Association of Fujian Haixi Pharmaceuticals Co., Ltd. (hereinafter referred to as the “Articles of Association”) and the laws of the place where the Company’s securities are listed or the relevant requirements of the relevant stock exchange, and in combination with the actual situation of the Company.

**Article 2** The board of directors is the permanent body of the Company’s business decision-making and is responsible to the shareholders’ meeting. The board of directors shall perform its duties in accordance with the Company Law, the Articles of Association and other relevant laws.

## **Chapter 2 Composition and Functions and Powers of the Board of Directors**

**Article 3** The board of directors of the Company consists of 9 directors, of which no less than 3 or at least one third shall be independent non-executive directors.

The board of directors shall have one chairman, and the Company may have a vice chairman according to the situation, who shall be elected by more than half of all directors by the board of directors. The chairman and vice chairman shall be elected and removed by a majority of all directors for a term of three years and may be re-elected.

**Article 4** At least one of the independent non-executive directors should have appropriate professional qualifications stipulated by the Company Law, the Articles of Association and the laws of or the requirements of the stock exchange of the place where the shares of the Company are listed, or the “accounting or related financial management expertise”. In other words, such independent non-executive directors must have, through experience as a public accountant or auditor or as a chief financial officer or principal accounting officer of a listed company or through performance of similar functions, experience with internal controls and in preparing, auditing, reviewing and analyzing financial statements of listed companies.

**Article 5** Directors shall be elected at shareholders’ meetings with a term of office of 3 years. Upon the expiry of the term of office, a director shall be eligible to offer himself/herself for re-election and re-appointment. Directors are not required to hold shares of the Company.

**Article 6** The board of directors shall exercise the following functions and powers:

- (1) to summon shareholders’ meetings and report its work to the shareholders’ meetings;
- (2) to implement resolutions of shareholders’ meetings;
- (3) to formulate the Company’s medium- and long-term development strategic plans, and monitor and adjust the implementation thereof;
- (4) to decide on the Company’s operating target, business plan and investment and financing plan;
- (5) formulate the Company’s profit distribution plan and loss compensation plan;
- (6) to formulate plans for the Company’s increase or reduction of registered capital, issuance of bonds or other securities, and listing scheme;

- (7) to formulate schemes for major acquisitions of the Company, acquisitions of the Company's own shares, mergers, divisions, dissolutions, or changes in corporate form;
- (8) within the scope of authorization of the shareholders' meeting, to decide on matters such as the Company's external investments, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions and external donations;
- (9) to decide on the establishment and staffing of the corresponding working bodies of the board of directors of the Company and the internal management bodies of the Company;
- (10) to decide on the appointment or dismissal of the Company's general manager, and to decide on the remuneration thereof; to decide on the appointment or dismissal of the Company's deputy manager, secretary to the board of directors, financial controller and other senior management personnel, and to decide on their remuneration, rewards and penalties;
- (11) to formulate the Company's basic management system;
- (12) to formulate amendment plans for the Articles of Association;
- (13) to manage the Company's information disclosure matters;
- (14) to propose to the shareholders' meeting to appoint or replace the accounting firm auditing the Company;
- (15) to hear the work report of the general manager of the Company and to inspect their work;
- (16) to authorize the chairman of the board of directors and the general manager of the Company to decide on major matters of the Company within their scope of authorization;

- (17) to supervise and approve major environmental, social and governance matters, identify potential risks in business development plans, and make decisions based on the recommendations made;
- (18) other powers as stipulated by laws, regulations, the listing rules of the exchange where the Company's shares are listed, and those granted by the shareholders' meeting and the Articles of Association.

Where the board of directors makes resolutions on matters referred to in the preceding paragraph, more than half of the directors shall vote in favor for adoption.

Any reasonable expenses incurred by the board of directors in respect of the engagement of professionals such as lawyers, certified public accountants and certified auditors when exercising its functions and powers shall be borne by the Company.

**Article 7** The board of directors shall perform corporate governance duties, including but not limited to:

- (1) to formulate, review and improve the Company's corporate governance system and status and make suggestions to the board of directors;
- (2) to review and supervise the training and continuing professional development of directors and senior management personnel;
- (3) to review and supervise the Company's compliance with the systems established in accordance with laws and the relevant regulations of the securities regulatory authorities of the place where the Company's shares are listed (including but not limited to compliance with the Corporate Governance Code), as well as the corresponding disclosures made (including but not limited to disclosures in the Corporate Governance Report);
- (4) to formulate, review and oversee the code of conduct and relevant compliance manuals for employees and directors of the Company.

The above corporate governance functions shall be the responsibility of the board of directors, which may also assign responsibilities to one or more special committees of the board of directors.

**Article 8** The Company's board of directors shall explain to the shareholders' meeting the non-standard audit opinion issued by the certified public accountant on the Company's financial statements.

**Article 9** The board of directors shall determine the authority for external investment, acquisition and sales of assets, asset mortgage, entrusted wealth management, bank credit, connected transactions, external donations, etc., and establish strict review and decision-making procedures; major investment projects shall be reviewed by relevant experts and professionals and submitted to the shareholders' meeting for approval.

**Article 10** The chairman of the board of directors shall exercise the following functions and powers:

- (1) to preside over shareholders' meetings, and to summon and preside over meetings of the board of directors;
- (2) to supervise and inspect the implementation of resolutions of the shareholders' meeting and those of the board of directors;
- (3) other functions and powers granted by the board of directors.

**Article 11** The chairman of the board of directors shall perform the following corporate governance responsibilities:

- (1) to ensure that all directors are informed of the matters to be considered at the board meeting;
- (2) to ensure that directors receive adequate information about the Company, which must be accurate, clear, complete and reliable, in a timely manner;

- (3) to ensure that the board of directors works effectively and discharges its responsibilities;
- (4) to draw up and approve the agenda for each meeting of the board of directors taking into account which may be delegated to designated directors or the secretary to the board of directors;
- (5) to ensure that good corporate governance practices and procedures are established;
- (6) to encourage all directors to make a full and active contribution to the affairs of the board of directors and take the lead to ensure that the board of directors acts in the best interests of the Company; to encourage directors with different views to voice their concerns, and allow sufficient time for discussion of issues;
- (7) to hold meeting(s) with the independent non-executive directors in the absence of the other directors at least once a year;
- (8) to ensure that appropriate steps are taken to provide effective communication with shareholders and views of shareholders are communicated to the board of directors as a whole;
- (9) to promote a culture of openness and debate, and ensure that constructive relationships are maintained between executive directors and non-executive directors.

**Article 12** If the chairman is unable to perform his/her duties or fails to perform his/her duties, the vice chairman shall perform the duties; if the vice chairman is unable to perform his/her duties or fails to perform his/her duties, more than half of the directors shall jointly nominate a director to perform the duties on his/her behalf.

**Article 13** The board of directors has a board office, which is responsible for handling daily affairs of the board of directors. The secretary to the board of directors shall be in charge of the work of the board office.

### **Chapter 3 Convening of Board Meetings**

**Article 14** Meetings of the board of directors shall be divided into regular meetings and extraordinary meetings. The board of directors shall hold at least two regular meetings each year.

**Article 15** Before issuing a notice to convene a regular meeting of the board of directors, the board office should fully solicit the opinions of the directors to formulate a preliminary meeting proposal, which will be submitted to the secretary of the board of directors for review before sending to the chairman of the board of directors for finalization.

**Article 16** Before finalizing the proposal, the chairman of the board of directors shall solicit the opinions of the general manager and other senior management personnel as necessary.

**Article 17** The chairman of the board of directors shall convene an extraordinary meeting of the board of directors within 10 days upon receipt of proposal if:

- (1) it is proposed by shareholders representing at least 10% of the voting rights;
- (2) it is proposed by the Audit Committee;
- (3) it is proposed by the chairman of the board of directors;
- (4) it is proposed by at least one-third of the directors;
- (5) other circumstances stipulated in the Articles of Association.

**Article 18** If an extraordinary meeting of the board of directors is proposed to be held according to the provisions of the preceding article, a written proposal signed (sealed) by the proposer shall be submitted through the board office or directly to the chairman of the board of directors. The written proposal shall clearly state:

- (1) name of the proposer;
- (2) reason for proposing such a proposal or objective causes;
- (3) time or time limit, place and the way the proposed meeting is held;
- (4) explicit and concrete proposal;
- (5) contact information of the proposer, date of proposal, etc.

The contents of the proposal shall be matters within the authority of the board of directors as specified in the Articles of Association, and relevant information about the proposal shall be submitted together. After receiving the above-mentioned written proposal and relevant information, the board office shall pass them on to the chairman of the board of directors on the same day. If the chairman of the board of directors considers that the contents are unclear, unspecific or relevant information is insufficient, he/she may require the proposer to modify or supplement contents of such proposal.

The chairman of the board of directors shall convene and preside over a meeting of the board of directors within 10 days after receiving the proposal or the requirements of the securities regulatory authorities.

**Article 19** The meeting of the board of directors shall be convened and presided over by the chairman of the board of directors. Where the chairman of the board of directors is unable or fails to perform his/her duties, the meeting shall be convened and presided over by the vice chairman of the board of directors. Where the vice chairman of the board of directors is unable or fails to perform his/her duties, the meeting shall be convened and presided over by a director nominated by a majority of the directors.

**Article 20** To convene a regular meeting or an extraordinary meeting of the board of directors, the board office shall send a meeting notice by hand, by email or fax fourteen days (in case of a regular meeting) or five days (in case of an extraordinary meeting) before the meeting, in writing, to all directors, general manager and secretary of board of directors.

In the event of an emergency, such meetings may be exempted from following the provisions on the notice time and method for the extraordinary board meeting prescribed in the Articles of Association, provided that the convener gives an explanation thereof at the meeting and the same is entered into the meeting minutes. For the avoidance of doubt, the notice of an extraordinary board meeting convened in an emergency shall still include items (I) and(V) specified in Article 21 of the Rules, as well as the reasonably necessary information about the reasons and topics of the meeting.

**Article 21** Written notice for the meeting of the board of directors shall include the following particulars:

- (1) date and venue of the meeting;
- (2) duration of the meeting;
- (3) reasons and agenda;
- (4) the date on which the notice is issued;
- (5) means for convening the meeting.

Notice of the meeting in oral form shall at least include the contents of items (1) and (5) above, as well as an explanation of the urgency of convening an extraordinary meeting of the board of directors as soon as possible.

**Article 22** After the written notice of a regular meeting of the board of directors is issued, if it is required to change the time, venue and other matters of the meeting or add, change or cancel a proposal, a written notice of change shall be issued 3 days prior to the original date of the meeting, explaining the conditions and describing relevant contents and information of the new proposal. If the notice is issued less than 3 days before the meeting, the meeting shall be postponed correspondingly or held as scheduled with approval of all the directors attending the meeting.

After the notice of an extraordinary meeting of the board of directors is issued, if it is required to change the time, venue and other matters of the meeting or add, change or cancel a proposal, prior approval from all the directors attending the meeting shall be obtained and corresponding records shall be kept.

**Article 23** Meetings of the board of directors may be held only if more than one half of the directors are present. The general manager and the secretary to the board of directors, if they do not concurrently serve as directors, shall attend meetings of the board of directors in a non-voting capacity. When he/she deems it necessary, the meeting convener may notify other relevant persons to attend the meeting of the board of directors.

**Article 24** Directors shall attend meeting of the board of directors in person. If a director is unable to attend for any reason, he/she may authorize another director to attend the meeting of the board of directors on his/her behalf in writing. The power of attorney shall clearly state the scope of authorization. A director who participates in an extraordinary meeting of the board of directors by means of electronic communication, such as conference call or video conference, shall be deemed to attend such extraordinary meeting of the board of directors in person. The power of attorney shall include:

- (1) the names of the appointer and the proxy;
- (2) the salient opinion of the appointer on each proposal;
- (3) scope of authorization and instruction on voting by the appointer;
- (4) the term of validity of the appointment;

- (5) the appointer's signature or sealing and date of such instrument.

Where a director authorizes another director to sign written confirmations of opinion on periodical reports, he/she shall be specifically authorized in the power of attorney. The entrusted director shall submit written power of attorney to the chairman of the meeting, and state the conditions of being entrusted to attend the meeting on the attendance book.

Any director who attends a meeting on behalf of another director shall exercise the latter's rights within the scope of his authorization. Any director not attending a particular Board meeting nor authorizing a proxy to attend shall be deemed to have failed to attend and has waived the right to vote at that meeting.

**Article 25** The appointing director and the proxy to attend the Board meeting shall comply with the following principles:

- (1) where reviewing matters relating to a connected transaction, a non-connected director may not appoint a connected director to attend the meeting, and a connected director shall not accept such appointment;
- (2) an independent non-executive director may not entrust a director other than independent non-executive directors to attend the meeting and a director other than independent non-executive directors shall not accept such appointment;
- (3) a director may not entrust another director to attend a meeting with full powers without explaining his/her opinion and the voting intention on a proposal, and the director involved shall not accept appointment with full powers or where authorization is unspecified;
- (4) a director may only accept appointment from one director, and a director may not entrust another director who has already been entrusted by a third director to attend the meeting.

**Article 26** Meetings of board of directors (including video conferences) shall be voted through disclosed ballot. If a director attends a meeting held in person by telephone conference or by way of other such communication equipment, so long as the directors attending the meeting in person can clearly hear what he/she says and communicate with him/her, all the directors in attendance shall be deemed to have attended the meeting in person. Subject to ensuring the full expression by the directors of their opinions at a meeting of the Board, votes may be held and resolutions may be adopted by means of correspondence, and such resolutions shall be signed by the directors in attendance, but a regular meeting of the Board, a meeting at which a major shareholder (for the purpose of this section only, substantial shareholders refer to shareholders who individually or jointly hold more than 10% of total voting shares of the Company) or a director has a conflict of interest in a matter to be considered which the Board has determined to be material and a meeting held to discuss the appointment and dismissal of the company secretary shall not be held by means of correspondence. A deadline shall be set for votes held by means of correspondence, and if a director fails to express his/her opinion by the specified deadline, he/she shall be deemed to abstain.

For meetings held by video and telephone, the number of directors present in the video or presenting opinions during the telephone conference is counted as the number of directors present. For meetings with voting by means of correspondence, the number of directors present at the meeting shall be calculated based on the effective votes actually received.

**Article 27** If at least one-quarter of the directors in attendance or at least two independent non-executive directors believe that they are unable to reach a determination on a relevant matter because the proposal before the board of directors is unclear or unspecific, the meeting materials are insufficient or other such reason, they may jointly propose that discussion of the proposal in question be postponed to a later time. In such circumstances, the board of directors shall accept the proposal. The directors who proposed postponement of the discussion shall put forth clear requirements in respect of the conditions that are to be satisfied for the proposal to be submitted again for consideration.

**Article 28** The chairman of the meeting shall request the directors present at the meeting of the board of directors to express their pronounced opinions on the proposals.

Unless the consensus of all directors present is obtained, a meeting of the board of directors must not vote on the proposals not included in the notice of the meeting. Unless clearly stated in the power of attorney, a director who has accepted another director's entrustment to attend the meeting of the board of directors must not vote on the proposals not included in the notice of the meeting on behalf of that director.

**Article 29** The directors shall carefully read relevant meeting materials, and independently and prudently express their opinions on the basis of fully understanding the relevant conditions.

The directors may also obtain the information required for decision making from the board office, the convener, the general manager and other senior management personnel, special committees, accounting firms and law firms and other relevant personnel and institutions, and may also propose to the chairman of the meeting to ask the above-mentioned personnel and representatives of the above-mentioned institutions to explain relevant conditions during the meeting.

**Article 30** The Company's functional departments have an obligation to provide information and data to the board of directors for decision-making purposes. The functional departments and relevant persons providing such information and data shall be liable for the truthfulness, accuracy and completeness of internally sourced and objectively describable information. Information and data sourced from outside the Company may be provided to the board of directors for reference in making decisions only after the reliability thereof has been assessed, and an account thereof shall be given to the board of directors.

#### **Chapter 4 Voting at the Meetings of the Board of Directors**

**Article 31** The resolutions of the board of directors shall be adopted with a majority vote of all the directors, but if laws, the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association have stipulated that the resolutions of the board of directors shall be subject to approval by more directors, such stipulations shall prevail.

**Article 32** Votes at meetings of the board of directors shall be conducted by open ballot and each director shall have one vote. A resolution of the board of directors shall be passed by more than half of all directors. Where the number of votes cast for and against a resolution is equal, the chairman of the board of directors shall have a casting vote.

**Article 33** After each proposal has been fully discussed, the presiding officer shall call for a vote of the directors present in due course.

A director's voting intention is divided into for, against and abstain. The directors attending the meeting shall choose one of the above intentions. If no choice is made or two or more intentions are chosen simultaneously, the meeting chair shall require the relevant director to choose again. If the director refuses to choose, it shall be deemed as abstention. If a director leaves the venue during the meeting and does not return and does not make a choice, it shall be deemed as abstention.

**Article 34** In any of the following circumstances, the directors shall abstain from voting on the relevant proposals:

- (1) there is a related relationship between the directors and the enterprise involved in the resolutions of the board meeting;
- (2) where the directors themselves consider that they shall abstain from voting;
- (3) circumstances in which directors should recuse themselves as stipulated in laws, the listing rules of the exchange where the Company's shares are listed and the Articles of Association.

Under the circumstances specified above, the meeting of the board of directors may be held when more than half of the uninterested directors attend the meeting, and the resolutions formed shall be passed by more than half of the uninterested directors. If the number of uninterested attending directors is less than 3, the relevant proposal shall not be voted on but shall be submitted to the shareholders' meeting for deliberation.

The definition and scope of a related director are subject to relevant requirements of the securities regulatory authorities and stock exchanges of the places where the shares of the Company are listed.

**Article 35** The board of directors shall act in strict accordance with the authorizations by the shareholders' meeting and the Articles of Association and shall be forbidden to form resolutions by ultra vires.

**Article 36** If the resolution on the profit distribution plan of the Company is to be made at a meeting of the board of directors, such distribution proposal to be submitted to the board of directors for review may first be given to the certified public accountants, and the latter shall be required to issue a draft audit report (financial data other than those related to distribution have been determined). The board of directors shall resolve on the Company's profit distribution plan and submit the same to the shareholders' meeting for review and require the certified public accountants to issue a formal audit report. The board of directors shall then resolve on other relevant matters of the periodic reports according to the formal audit report.

**Article 37** After the voting of the directors at the meeting is completed, the relevant staff of the secretary to the board of directors shall collect the votes of the directors in time and hand over to the secretary to the board of directors for calculating the voting results under the supervision of an independent non-executive director.

If the meeting is held on-site, the presiding officer shall announce the statistical results on the spot. In other cases, the directors shall be notified of the voting results on the next business day after the expiration of the prescribed voting time limit.

If a Director vote after the presiding officer announces the voting result or after the expiration of the prescribed voting time limit, his/her vote will not be counted.

**Article 38** In case of contradiction in content and meaning of different resolutions, the resolution with the later formation time shall prevail.

**Article 39** If a proposal is not approved, the board of directors' meeting shall not consider another proposal with the same content within one month, provided that the relevant conditions and factors have not changed significantly.

**Article 40** The board of directors meeting held on site or by electronic communication or other means can adopt whole-process audio recording as necessary.

**Article 41** The secretary to the board shall arrange the staff of the board office to take minutes for the board meetings. The minutes of the meeting shall include at least the following particulars:

- (1) the date and venue of the meeting and the name of the convener;
- (2) the names of the directors attending the meeting and the names of the directors (or proxies) who are authorized by others to attend the meeting of the board of directors;
- (3) meeting agenda;
- (4) key points of directors' speeches;
- (5) the voting method and results for each matter put for resolution (the voting results shall indicate the number of votes in favor, against or abstention).

**Article 42** In addition to the minutes of the meetings, the secretary to the board of directors can also arrange staff of the board office as required to formulate a brief summary of minutes, and prepare separate records for respective resolutions made at the meeting according to the voting results.

**Article 43** The participating directors shall confirm the minutes of the meeting and the minutes of resolution by signature on behalf of themselves and those directors who have entrusted them to attend the meeting as their representatives. The director may explain in writing when signing, for any dissenting opinion on the minutes of the meeting or the minutes of resolution, or when necessary, timely report to the regulatory authority or make a public statement.

In the event that the director neither confirms by signature according to the preceding paragraph nor explains his dissenting opinion in writing or report to the regulatory authority or make a public statement, he/she shall be regarded as being in full agreement with the contents of the minutes of the meeting and the minutes of resolution.

**Article 44** Directors shall be responsible for resolutions of the board of directors. If a resolution of the board of directors violates the laws or the Articles of Association, and causes the Company to suffer serious losses, the directors who participated in the resolution shall be liable to the Company for compensation; provided, however, that if it is proved that he/she has expressed dissent at the time of voting and his/her dissention is recorded in the minutes of the meeting, such director shall be exempted from liability.

**Article 45** The archives of the meetings of the board of directors, including the notice of meetings and meeting materials, the sign-in book of the meetings, the power of attorney for directors to attend on their behalf, audio recordings of the meetings, the votes, the minutes, summary of minutes, and resolution records of the meetings signed and confirmed by the participating directors shall be kept as the archives of the Company by the board office for a period of not less than ten years.

If any director issues a reasonable notice, the Company shall disclose minutes and other meeting files for inspection at any reasonable period.

## **Chapter 5 Execution and Feedback of the Resolutions of the Board of Directors**

**Article 46** The following matters shall be reviewed and approved by the shareholders' meeting for implementation with the consent of a meeting of the board of directors:

- (1) to formulate the Company's profit distribution plan and loss compensation plan;
- (2) to formulate plans for the Company's increase or reduction of registered capital, issuance of bonds or other securities, and listing scheme;
- (3) to formulate schemes for the Company's mergers, divisions, dissolutions, or changes in corporate form;
- (4) to formulate amendment plans for the Articles of Association;
- (5) to propose to the shareholders' meeting to appoint or replace the accounting firm auditing the Company;

- (6) other matters subject to approval at the shareholders' meeting as required by laws, administrative regulations, departmental rules, normative documents, relevant regulations of the securities regulatory authorities of the place where the Company's shares are listed, and the provisions of the Articles of Association.

**Article 47** The chairman of the board of directors shall supervise the implementation of the resolutions of the board of directors, inspect the implementation conditions, and announce at subsequent board meetings the execution of the formed resolutions.

## **Chapter 6 Supplementary Provisions**

**Article 48** The Rules shall come into effect from the date of consideration and approval by the shareholders' meeting, and the provisions concerning the standardized operation of listed companies shall come into effect from the date of the listing of the Company's overseas shares on The Stock Exchange of Hong Kong Limited.

**Article 49** When the Rules are being modified, the amendments proposed by the board of directors shall come into effect with the approval of the shareholders' meeting.

**Article 50** The "laws" mentioned in the Rules refer to laws, administrative regulations, department rules, local regulations, local government rules and legally binding government normative documents that are currently in force and applicable or are issued from time to time and applicable in the People of Republic of China (exclusive of Taiwan, Hong Kong Special Administrative Region and Macau Special Administrative Region in the Rules), but when using together with "administrative regulations", they particularly refer to the laws and regulations adopted at the National People's Congress of the PRC and its Standing Committee.

**Article 51** The terms "at least" and "within" in the Rules shall include the number itself, while "exceeding" and "before" shall not include the number itself.

**Article 52** For any matters not covered in the Rules or conflicting with the laws and the listing rules of the stock exchange at the place where the shares of the Company are listed promulgated or revised after the Rules become effective or the Articles of Association formulated or revised through legal procedures, the provisions of the laws, the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association shall prevail.

**Article 53** The Rules shall be construed by the board of directors.