



## 山東威高集團醫用高分子製品股份有限公司

### Shandong Weigao Group Medical Polymer Company Limited\*

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

(Stock Code : 1066)

#### Terms of Reference for Remuneration Committee

##### I. OBJECTIVE

The Remuneration Committee (the “Committee”) of Shandong Weigao Group Medical Polymer Company Limited (the “Company”) is to assist the board of directors of the Company (the “Board”) to develop and administer a set of fair and transparent procedures for preparing the remuneration policy of the Directors and senior management of the Company and to determine and approve their remuneration packages.

##### II. MEMBERS

1. The Committee of the Company comprises five non-executive Directors appointed by the Board and the majority of the Members shall be independent non-executive Directors.

2. One member of non-executive Director appointed by the Board shall be the Chairman of the Committee.

3. The Secretary of the Board of the Company shall be the secretary of the Committee.

4. The Board may from time to time vary the composition of the Committee as may be required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as modified from time to time or the rules of any other stock exchange in respect of which the shares of the Company are listed or quoted, or the requirements of other codes, rules and regulations as may be prescribed by the applicable regulatory authority from time to time.

##### III. FREQUENCY AND PROCEDURES OF CONVENING A MEETING

###### 1. Frequency

The Committee shall meet at least once a year. Extraordinary meetings shall be held as and when the work of the Committee requires.

###### 2. Notice

The notice of any meetings of the Committee has to be given at least 7 days prior to any such meeting being held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, the attendance of a meeting by a Member shall be deemed to waive the requisite period of notice by that Member. No requisite notice period is required if a Committee meeting is adjourned for less than 14 days.

###### 3. Quorum

The quorum of the convening a meeting shall be two Members.

#### 4. Attendance

- i. With the invitation of the Remuneration Committee, the Chairman of the Board and/or Group Managing Director and/or Deputy Group Managing Director, external advisers and other persons may be invited to attend all or part of any Committee meetings.
- ii. Only Members are entitled to vote at Committee meetings.

#### 5. Resolutions

- i. Resolutions of the Committee shall be passed by a majority of votes. Meetings can be held in person, by telephone or by video conference.
- ii. A resolution in writing signed by all the Members shall be as valid and legally effective as if it has been passed at a meeting of the Committee duly convened and held.

#### 6. Minutes

The secretary of the Committee shall keep full records of the minutes of all Committee meetings. Draft minutes of meetings of the Committee shall be sent to all Members within a reasonable time after the meeting for their review. The final version of the minutes duly signed by the Chairman shall be sent to all Members for their records.

### **IV. DUTIES, AUTHORITIES AND FUNCTIONS**

1. To make recommendation to the Board regarding the policy and structure for the overall remuneration of Directors and senior management of the Company and for the establishment of formal and transparent procedures in developing the policy of such remuneration.

2. To determine the specific remuneration packages of Directors and senior management, including benefits in kind, rights for pension and compensation payments, including any compensation payable for loss or termination of their office or appointment; to formulate the specific remuneration packages of all executive Directors and to propose the Board to submit the same at the general meeting for consideration; and to make recommendation to the Board regarding the specific remuneration packages of non-executive Directors. The Remuneration Committee shall consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration. The Remuneration Committee should consult the Chairman of the Board and/or General Manager in respect of their remuneration proposals of executive Directors and senior management.

3. To review and approve the performance-based remuneration by reference to corporate goals and objectives approved by the Board from time to time.

4. To review and approve the compensation and/or related arrangements for Directors and senior management in respect of any loss or termination of office or appointment, including that resulting from dismissal or misconduct, to ensure that such compensation and/or related arrangements are determined in accordance with relevant contractual terms and in the event that the same is not determined in accordance with the relevant contractual terms, such compensation shall be fair and appropriate.

5. To ensure that no Director or any of his associates is involved in determining his own remuneration.

#### VI. PUBLICATION OF THESE TERMS OF REFERENCE

A copy of these Terms of Reference will be made available to any person without charge upon request and these Terms of Reference will be published at the websites of the Company and Hong Kong Exchanges and Clearing Limited respectively.

Shandong Weigao Group Medical Polymer Company Limited

15 March 2012