

*The English version is for reference only. Should there be any inconsistency or discrepancy between English and Chinese versions, the latter shall prevail.*

# **GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HOLDINGS COMPANY LIMITED BOARD DIVERSITY POLICY**

## **1. Purpose**

- 1.1 Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (the “Company”) establishes the Board Diversity Policy (the “Policy”) according to the Corporate Governance Code and Corporate Governance Report contained in the Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong. This Policy aims to set out the approach to achieve diversity on the Company’s board of directors (the “Board”).

## **2. Vision**

- 2.1 The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance.

## **3. Policy Statement**

- 3.1 With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as essential elements in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board’s composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.
- 3.2 The Board should have a balance of skills, and experience and diversity of perspectives appropriate to the requirements of the Company’s business.

## **4. Measurable Objectives**

- 4.1 Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

4.2 The candidates of the Board should make reference to criteria, including:

- I. Accommodation to the requirement of related laws, regulations, rules and “The Board Rules of Procedure”, and ensuring the effective discussion to enable the Board to make a prudent and rational decision promptly.
- II. Required skills, and knowledge and quality appropriate to duty performance.
- III. Contribution to a reasonable professional structure in the Board.

4.3 The Board diversity perspectives scope implemented in the selection of candidates should be based on the items of “The Board Rules of Procedure”.

## **5. Monitoring and Reporting**

5.1 The Nomination and Remuneration Committee will report annually, in the Corporate Governance Report, on the Board’s composition under diversified perspectives, and monitor the implementation of this Policy.

## **6. Review of this Policy**

6.1 The Nomination and Remuneration Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Nomination and Remuneration Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

## **7. Disclosure of this Policy**

7.1 A summary of this Policy together with the measurable objectives set for implementing this Policy, and the progress made towards achieving those objectives will be disclosed in the annual Corporate Governance Report.

**Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited**

26 September 2013