



## **The United Laboratories International Holdings Limited**

**聯邦制藥國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

### **TERMS OF REFERENCE AND OPERATION OF RISK MANAGEMENT COMMITTEE**

#### **Constitution**

1. The board of directors (the “Board”) of The United Laboratories International Holdings Limited (the “Company”) hereby resolves to form its Risk Management Committee (the “Committee”) on 15 February 2016 in compliance with the “Corporate Governance Code and Corporate Governance Report” under Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

#### **Membership**

2. The Committee shall consist of at least three members appointed by the Board from amongst the directors of the Company.
3. The Board shall nominate one of the members as the chairman of the Committee. The member acting as the chairman should be an independent non-executive director.

#### **Frequency and proceedings of meetings**

4. The Committee shall meet at least once every year. The Committee meeting can be requested if the members think necessary.
5. The quorum of a meeting shall be two members of the Committee present in person.
6. Proceedings of meetings of the Committee shall be governed by the provisions of Article 120 of the Articles of Association of the Company.
7. The Company Secretary or in his absence, his delegate shall act as the secretary of the Committee meetings.
8. A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

## **Authority and duties**

9. The Committee is authorised by the Board and has duties below:

- (a) to consider the risk management strategies of the Company;
- (b) to review the risk management system of the Company and its subsidiaries (the “Group”), including but not limited to risk management policies, guidelines, functions and workflows, and to discuss the risk management system with management to ensure that management has performed its duty to have effective system;
- (c) to assess the risks from major decisions and to consider solutions for significant risks, and to provide such guidance as it considers appropriate;
- (d) to have periodic assessment on the Group’s risk profile and risk management capabilities, and to make recommendations on the improvement of the Group’s risk management systems and internal controls;
- (e) to consider major investigations findings on risk management matters as delegated by the Board or on its own initiative and management’s response to these findings;
- (f) to oversee the Group’s risk management and internal control systems on an ongoing basis, ensure that a review of the effectiveness of the risk management and internal control systems of the Group has been conducted at least annually and report to shareholders that it has done so in its Corporate Governance Report, the scopes of which shall cover each and every key aspect of the control systems including the financial control system, operation control system, compliance control system and risk management system,
- (g) to consider any other matters in relation to risk management responsibilities to be performed by the Committee under the Appendix 14 “Corporate Governance Code and Corporate Governance Report” of the Listing Rules; and
- (h) to consider other topics, as defined by the Board.

15 February 2016