



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 REMUNERATION COMMITTEE

Constitution

1. The Board of Directors of the Company (the "Board") hereby resolves to replace its Compensation Committee with the Remuneration Committee (the "Committee") on 25 May 2007 in compliance with the Corporate Governance Code under Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Membership

2. The Committee shall consist of at least three members and a majority of the members shall be independent non-executive directors appointed by the Board from time to time.
3. The Board shall nominate one of the members as the chairman of the Committee.

Frequency and proceedings of meetings

4. The Committee shall meet as frequently as the members think fit.
5. The quorum of a meeting shall be two members of the Committee present.
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 make recommendations to the Board on the Company's policy and structure for all directors' remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy on such remuneration;
 - (b) to review and recommend the executive directors' remuneration proposals with reference to the Board's corporate goals and objectives;
 - (c) to make recommendations to the Board on the remuneration packages of individual executive directors, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment. The Committee should consider factors such as salaries paid, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration by comparable companies;
 - (d) to make recommendations to the Board on the remuneration of non-executive directors. The Committee should consider factors such as salaries paid, time commitment and responsibilities of the directors by comparable companies;
 - (e) to review and recommend compensation payable to executive directors for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
 - (f) to review and recommend compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that consistent with contractual terms and are otherwise reasonable and appropriate; and
 - (g) to ensure that no director or any of his associates is involved in deciding his own remuneration.

(Updated on 27 March 2012)