

**UMP HEALTHCARE HOLDINGS LIMITED**  
*(Incorporated in the Cayman Islands with limited liability)*

**REMUNERATION COMMITTEE – TERMS OF REFERENCE**

**Purpose**

1. The purpose of the Remuneration Committee is to assist the board of directors (the “**Board**”) of UMP Healthcare Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) to develop and administer a formal and transparent procedure for setting policy on the remuneration of the directors and senior management, evaluating the performance of the directors and senior management, reviewing incentive schemes and directors’ service contracts and fixing the remuneration packages for all directors and senior management.

**Composition**

2. The Remuneration Committee shall be appointed by the Board from time to time and shall consist of not less than three (3) members, a majority of which shall be independent non-executive directors who shall meet and maintain the independence requirements from time to time as stipulated in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).
3. The Board shall appoint an independent non-executive director as the chairman of the Remuneration Committee (the “**Chairman**”).

**Meetings**

4. The Remuneration Committee shall meet at least twice a year or more frequently if circumstances require.
5. Meetings of the Remuneration Committee shall be summoned by the company secretary of the Company (the “**Company Secretary**”) at the request of the Chairman.
6. For regular meetings and as far as practicable in all other cases, notice of meeting and the agenda and accompanying committee papers should be sent, in full, to all members of Remuneration Committee at least three (3) days before the intended date of meeting (or such other shorter period as agreed by the members).

7. The Chairman (or in his or her absence, a member designated by the Chairman) shall preside at all meetings of the Remuneration Committee. The Chairman shall be responsible for leading the Remuneration Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.
8. The Company Secretary shall be the secretary of the Remuneration Committee.
9. Unless otherwise specified, the provisions contained in the Company's by-laws (as amended from time to time) for regulating meetings and proceedings of directors shall apply to the meetings and proceedings of the Remuneration Committee.

### **Quorum**

10. The quorum necessary for the transaction of business shall be two (2). A duly convened meeting of the Remuneration Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Remuneration Committee.

### **Access**

11. The Remuneration Committee shall have full access to management and may invite members of management or others to attend its meetings as necessary or desirable.
12. The Remuneration Committee shall consult the chairman and/or chief executive officer of the Company about their remuneration proposals for other executive directors.
13. The Remuneration Committee should be provided with sufficient resources to discharge its duties.

### **Reporting Procedures**

14. The Remuneration Committee shall evaluate and assess the effectiveness of the Remuneration Committee and the adequacy of these Remuneration Committee terms of reference on an annual basis and recommend any proposed changes to the Board.
15. Full minutes of meetings of the Remuneration Committee and the record of individual attendance at such meetings shall be prepared and kept by the Company Secretary which shall be sent to all members of the Board as soon as practicable after the conclusion of any meeting of the Remuneration Committee and should be open for inspection at any reasonable time on reasonable notice by any member of the Board.

16. Minutes of meetings of the Remuneration Committee should record in sufficient detail the matters considered and decisions reached, including any concerns raised or dissenting views expressed. Draft and final versions of the minutes of meetings should be sent to members of the Remuneration Committee for their comment and records respectively, in both cases within a reasonable time after the meeting is held.

### **Authority**

17. The Remuneration Committee is authorised by the Board to:
  - (a) to seek any information it requires from any employee of the Company and any professional advisers, and to require any of them to prepare and submit reports and to attend Remuneration Committee meetings and to supply information and address the questions raised by it;
  - (b) to review the performance of the directors and senior management of the Company and make recommendations to the Board thereon; and
  - (c) to obtain, at the Company's expense, outside legal or other independent professional advice or assistance as it considers to be necessary, including the advice of independent human resource consultancy firm or other independent professionals, and to obtain reliable, up-to-date information about remuneration in other companies in the industry.

### **Annual General Meeting**

18. The Chairman shall attend the annual general meeting of the Company prepared to respond to any question from shareholders on the Remuneration Committee's activities. In his or her absence, one other member of the Remuneration Committee or failing this, his or her duly appointed delegate should attend.

### **Responsibilities and Duties**

19. The Remuneration Committee shall perform the following duties:
  - (a) to make recommendations to the Board on the Company's policy and structure for all directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing such remuneration policies;
  - (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

- (c) to determine or to make recommendations to the Board on the specific remuneration packages of all executive directors and senior management, which includes benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, substantially based on individual's performance;
- (d) to make recommendations to the Board on the remuneration of non-executive directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group. The Remuneration Committee shall also ensure that the levels of remuneration should be sufficient to attract and retain directors needed to run the Company successfully but without paying more than is necessary;
- (f) to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is determined in accordance with relevant contractual terms and is otherwise fair and not excessive;
- (g) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are determined in accordance with relevant contractual terms and are otherwise reasonable and appropriate;
- (h) to ensure that no director or any of his associates is involved in deciding his own remuneration; and
- (i) to advise shareholders of the Company on how to vote in respect of any service contracts of directors that require shareholders' approval in accordance with the Listing Rules.

## **General**

20. The Remuneration Committee should make available these terms of reference on the Stock Exchange's website and Company's website.
21. For the purpose of these terms of reference, "senior management" means the same persons as referred to in the Company's annual report and is required to be disclosed under paragraph 12 of Appendix 16 to the Listing Rules, as such rule may be amended from time to time.
22. The Board may, subject to compliance with the bye-laws of the Company and the Listing Rules, amend and supplement these terms of reference provided that no amendment to these terms of reference shall invalidate any prior act and resolution of the Remuneration Committee which would have been valid had there not been such amendment.