

The United Laboratories International Holdings Limited

("the Company")

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 Code on Governance Practices under Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") 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 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.

Authority and Duties

8. The Committee shall
 - (a) make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
 - (b) have the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive directors. The Committee should 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;
 - (c) review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
 - (d) review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the issuer;
 - (e) review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
 - (f) ensure that no director or any of his associates is involved in deciding his own remuneration. In particular, the Committee shall advise shareholders on how to vote with respect to any service contracts of directors that require shareholders' approval with reference to the requirement under rule 13.68 of the Listing Rules.