



Union Medical Healthcare Limited

香港醫思醫療集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2138)

(the “Company”)

**TERMS OF REFERENCE
OF
REMUNERATION COMMITTEE**

(the “Committee”)

(Adopted by the Company pursuant to the Board resolution passed on 19 February 2016)

Membership

1. The Committee shall consist of not less than three members appointed by the board of directors of the Company (the “**Board**”).
2. The majority of the members of the Committee shall be independent non-executive directors of the Company.
3. The chairman of the Committee shall be appointed by the Board and shall be an independent non-executive director of the Company.
4. The members of the Committee shall not have personal financial interest (other than being a shareholder of the Company) and conflicts of interest arising from cross-directorships.
5. The term of membership will be one year from the date of appointment subject to renewal and shall be governed by the provisions of the Articles of Association of the Company.

** for identification purpose only*

6. The appointment of the members of the Committee maybe revoked, and new appointment be made in place by resolutions passed by the Board and by the Committee.
7. No alternate committee member can be appointed.

Secretary

8. The Company Secretary of the Company shall be the secretary of the Committee. In the absence of the Company Secretary, his/her delegate(s) or any person elected by the members present at the meeting of the Committee, shall attend the meeting of the Committee and take minutes.

Frequency and proceedings of meetings

9. The Committee shall aim to meet at least once a year. Additional meetings should be held as and when the Committee consider necessary.
10. The chairman of the Committee may convene additional meetings at his discretion.
11. The quorum of a meeting shall be three members of the Committee of whom at least one is independent non-executive director.
12. A member of the Committee shall abstain from voting and shall not be counted in the quorum in the meeting in respect of the resolution regarding the remuneration payable to him.
13. Proceedings of meetings of the Committee shall be governed by the provisions to the Articles of Association of the Company.

Responsibility

14. The Committee is to review and formulate policies in respect of remuneration structure for all directors of the Company and senior management and make recommendations to the Board for its consideration.
15. The Committee should consult the chairman of the Board and/or chief executive about their remuneration proposals for other executive directors. The Committee should have access to professional advice if necessary.

Duties, powers and function

16. Without prejudice to any requirements under the Corporate Governance Code as contained in Appendix 14 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the duties, powers and function of the Committee include the following:-
- (a) make recommendations to the Board on the Company’s policy and structure for all directors’ and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
 - (b) review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives;
 - (c) make recommendations to the Board on the remuneration packages of individual executive directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
 - (d) make recommendations to the Board of the remuneration of non-executive directors;
 - (e) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
 - (f) review and evaluate the performance of individual executive director in the relevant financial year in determining the amount of bonus (if any) to be payable to him/her and determine the time of payment of any such bonus;
 - (g) 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 consistent with contractual terms and is otherwise fair and not excessive;
 - (h) review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
 - (i) ensure that no director or any of his associates is involved in deciding his own remuneration;
 - (j) consider the granting of share options to directors of the Company pursuant to the share option scheme (if any) adopted by the Company;

- (k) ensure due compliance with any relevant disclosure requirements in respect of the remuneration of directors under the Listing Rules, the Companies Ordinance and any other statutory requirements;
- (l) review and make recommendations to the Board regarding the pension arrangements for directors and senior management;
- (m) report to the Board on any suspected irregularities in the reimbursement or unreasonable out-of-pocket expenses of directors;
- (n) review and approve the interim report, annual report, announcement and circular or any publication of the Company regarding information on the remuneration and service contracts of the directors prior to approval by the Board;
- (o) engage the external legal, financial or other professional advisers to assist and/or advise it on issues as it considers necessary;
- (p) conduct exit interviews with any directors and senior management upon their resignation in order to ascertain the reasons for resignation; and
- (q) consider other matters as defined or assigned by the Board from time to time.

Reporting Procedure

17. The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report to the Board on the work, significant decisions, findings and recommendations of the Committee since the last Board meeting.
18. The secretary of the Committee shall circulate the minutes of meetings and all written resolutions of the Committee to all members of the Board, keeping the Board informed of the Committee's activities, decisions and recommendations on a regular basis.

Annual general meeting

19. The chairman of the Committee (or in his or her absence, another member (who must be an independent non-executive director) of the Committee) shall attend the Company's annual general meeting and be prepared to respond to shareholders' questions on the Committee's works and responsibilities.

Availability and update of the terms of reference

20. These terms of reference shall be made available to the public by including the information on the websites of the Company and Hong Kong Exchanges and Clearing Limited. Subject to Board approval, these terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and applicable amendments to the regulatory requirements under the Listing Rules adopted from time to time.

Note: If there is any inconsistency between the English and Chinese versions of this document, the English version shall prevail.