The United Laboratories Compliance Department's Unannounced Audit Procedures (Marketing Promotion Category)

The United Laboratories International Holdings Limited (Stock Code: 3933.HK) ("TUL", the "Group", "we") has established the following procedures to implement compliance requirements for the day-to-day promotional activities carried out by representatives, promptly identify and rectify compliance issues, and ensure that operations are conducted in accordance with laws and regulations. These procedures are formulated based on relevant national laws and regulations, as well as the Group's internal policies such as the *Compliance Promotion Guidelines*, the *Compliance Inspection Management Measures*, and other related systems, standards and requirements. They clarify the scope and procedures for ad hoc inspections conducted by the Compliance Department regarding such activities.

1. Audit Authority and Scope

The Compliance Department will conduct unannounced inspections in accordance with this procedure. The inspections cover promotional behaviors during academic activities carried out by Group's staff or commissioned representatives in various regions. This includes evaluating promotional practices, event notifications, academic exchanges, and interactions with related organizations and personnel for their adherence to the Group's compliance standards and policies, operational norms, and key compliance points.

2. Definitions, Basis and Guiding Principles

(1) Unannounced audit refers to unannounced supervisory inspections conducted by the Compliance Department targeting regional operations and the routine work of representatives. These inspections are based on internal compliance policies and procedures. The Compliance Department may revise inspection content and standards, provided that no prohibitive procedures of national laws, regulations, policies, or precedent cases are violated.

(2) Unannounced audits must follow principles of independence, objectivity, and scientific handling, focusing on risk prevention and control.

(3) Inspected units and individuals are required to cooperate with the inspection and must not refuse, evade, or obstruct the process.

(4) Unannounced audits should not interfere with the normal operations and activities of the region being inspected.

(5) The Compliance Inspection team must submit a Compliance Inspection Report based on established standards and actual findings, to be archived for future reference. Any issues or risks identified during the inspection must be promptly communicated to the responsible party of the inspected unit.

(6) Inspections are typically focused on a specific region, with personnel selected randomly from that region for inspection.

3. Unannounced Audit Procedure

(1) The Compliance Department may initiate a unannounced audit under any of the following circumstances:

- As part of the annual work plan;
- In response to complaints or whistleblower reports;
- When potential risk events or violations are suspected;
- Other situations deemed necessary for a unannounced audit.

(2) Unannounced audits are primarily carried out by the Compliance Department. Before each inspection, a specific plan must be developed, clearly defining the inspection items, schedule, personnel involved, and method of inspection.

(3) Each unannounced audit is generally conducted by 1–2 inspectors under a team leader responsibility system. The team leader is accountable for the entire inspection process, including subsequent rectification and disciplinary actions based on factual findings.

(4) Inspection methods may include:

- Accompanying representatives during their daily work;
- Entering and inspecting work or office locations;
- Reviewing representatives' work reports and activities via the OA (Office Automation) platform;
- Conducting interviews, surveys, or written assessments with employees.

(5) The department and personnel being inspected must provide authentic, valid, and complete documents, records, vouchers, data, and other relevant materials as requested by the inspectors, and must answer all inquiries truthfully.

(6) Inspectors must thoroughly document the time, department, and conditions of the inspection site. Any identified issues should be recorded in writing promptly. Inspectors should also collect relevant supporting materials and interview involved personnel as needed. Interviews must include accurate records of the interviewee's name, position, and statements.

(7) For on-site inspections, written records must be timely, accurate, complete, and objectively reflect the inspection situation. These records must be signed by both the interviewee and the person responsible for the inspection site to confirm their validity.

(8) Inspectors should generally upload the inspection report, records, and relevant documentation to the Compliance Department within five working days after the inspection. The submission must include: the inspection plan, inspection process, identified issues, supporting evidence, conclusions, and recommended actions. A written notification must also be sent to the inspected department.

4. Unannounced audit Results

(1) Departments or individuals subject to inspection must make the necessary corrections and submit a written rectification report to the Compliance Department within seven working days from the date they receive the inspection results or report. The Compliance Department will promptly follow up on the implementation of the corrective actions.

(2) The following situations shall be deemed as refusal to cooperate with the inspection:

- Delaying, restricting, or refusing inspectors access to the designated areas or premises;
- Unjustifiably withholding relevant documents, records, vouchers, or data related to the inspection;
- Unjustifiably canceling the inspected activities or events;
- Any other behavior constituting non-cooperation with the inspection.

(3) For issues identified during the inspection that are widespread, long-standing, or high-risk, the inspectors must communicate directly with the responsible person of the inspected department regarding corrective actions.

(4) In any of the following circumstances, the inspection team must immediately report and apply for escalation, with further decisions and coordination made by the Legal Affairs Center:

- When the scope of the inspection needs to be extended;
- When urgent risk control measures such as suspension of activities are required;
- When an in-depth investigation of a specific incident is necessary;
- When suspected criminal behavior is identified that must be referred to judicial authorities.

(5) For minor violations identified during the inspection, the Compliance Department shall issue a prompt reminder to correct the behavior. If an employee fails to correct after being reminded three or more times, the Compliance Department will

recommend that the inspected department impose a disciplinary warning. For major violations, the Compliance Department may recommend termination of the employment contract.

(6) If compliance rectification recommendations are not implemented or are poorly executed, resulting in regulatory inquiries, investigations, or penalties against the company, the responsible personnel will have their performance bonuses deducted in proportion to the losses caused.

5. Auditor Conduct

(1) Inspectors who engage in favoritism or other misconduct, or who fail to promptly and truthfully record or report inspection results, will be subject to warnings or disciplinary action.

(2) If an inspector fails to promptly identify and communicate compliance risks, fails to recommend corrective measures, or fails to follow up and supervise rectification —resulting in regulatory inquiries, investigations, or penalties — the inspector's performance bonus will be deducted in proportion to the losses caused to the company.

6. Supplementary Procedures

(1) This policy is interpreted and revised by the Compliance Department.

(2) This policy was effective from January 1, 2024.