

## **Allied Healthcare International Inc.**

### **Compensation Committee Charter**

**(Revised and Restated by the Board of Directors on June 10, 2009.)**

#### **Purpose**

The Compensation Committee (the "Committee") is appointed by the Board of Directors (the "Board") of Allied Healthcare International Inc. (the "Company") to assist the Board in (a) fulfilling its responsibilities relating to the compensation of executive officers of the Company; (b) producing an annual report on executive compensation for inclusion in the Company's proxy statement for the annual meeting of stockholders, in accordance with applicable rules and regulations; and (c) performing such other duties and responsibilities enumerated in and consistent with this Charter.

#### **Membership**

1. The Committee shall consist of a minimum of three (3) members of the Board, each of whom shall (a) meet the independence requirements of The Nasdaq Stock Market, LLC and other applicable laws, rules and regulations governing independence, as determined by the Board in its business judgment; (b) qualify as a "non-employee director" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended; and (c) otherwise satisfy requirements as the Board determines appropriate.
2. Members of the Committee shall be appointed by the Board and shall serve at the discretion of the Board.
3. The Board shall designate a Chairperson for the Committee. In the absence of the Chairperson at any meeting of the Committee, the members of the Committee may designate a Chairperson by majority vote.

#### **Authority, Duties and Responsibilities**

In furtherance of its purpose set forth above, the Committee will have the following authority, duties, and responsibilities:

1. In consultation with management, approve the Company's executive compensation philosophy and oversee and monitor the Company's executive compensation plans and programs to determine whether they are properly aligned with the Company's strategic and financial objectives.
2. Review and approve all Company goals and objectives relevant to the Chief Executive Officer's compensation; evaluate the Chief Executive Officer's performance in light of those goals and objectives; and determine and recommend to the Board the Chief Executive Officer's compensation (including base salary, incentive compensation and long-term compensation) based on this evaluation. The full Board shall approve the Chief Executive Officer's compensation.
3. Recommend to the Board the compensation (including base salary, incentive compensation and long-term compensation) of other executive officers and such senior officers as the Committee determines appropriate. The full Board shall approve the compensation of other executive officers and such senior officers as the Committee determines appropriate.
4. In determining the long-term incentive award component of compensation for the Chief Executive

Officer and other executive officers, the Committee shall consider the Company's performance and relative shareholder return, the award practices of the relevant peer group of competitors, the awards given in past years, the Committee's assessment of the current and expected contribution of those individuals to the Company's success, and such other factors as the Committee considers appropriate.

5. Review the Company's policies regarding the tax deductibility of compensation paid to executive officers for purposes of Internal Revenue Code Section 162(m) and, as and when appropriate, establish performance goals and certify that performance goals have been attained.
6. Review and approve any employment agreement, new hire award or new hire payment proposed to be made with or to any proposed or current executive officer.
7. Review and approve any severance, change-in-control or similar termination agreement, award or payment proposed to be made with or to current or former executive officer.
8. (a) Review, adopt and, where required, recommend to the shareholders for approval, all new equity-based employee benefit plans and any material change to an existing equity-based employee benefit plan; (b) review, adopt, approve and amend any non-equity-based incentive-compensation plans in which executive officers may participate; and (c) review, adopt, approve and amend any other employee benefit plans that cause material increases in expenses, except to the extent such authorities are delegated to one or more members of management.
9. Administer and recommend to the Board awards under the Company's various equity-based employee incentive plans.
10. Terminate, as appropriate, any equity-based or other employee benefit plans, except to the extent such authority is delegated to one or more members of management.
11. Produce the annual committee report on executive compensation for inclusion in the Company's annual proxy statement.
12. Review and approve in advance the contents of SEC and other regulatory filings relating to compensation matters.
13. Recommend non-executive director compensation and benefits to the Board.
14. Oversee the succession planning process for the chief executive officer of the Company in the event of the death, disability, retirement or other termination of service of the chief executive officer.
15. Oversee the succession planning process for such other key senior executive officer(s) as the Board determines in the event of the death, disability, retirement or termination of service of such individual(s).
16. Make regular reports to the Board summarizing the matters reviewed and actions taken at each Committee meeting.
17. Perform an annual performance evaluation of the Committee and report the results to the Board.
18. Review and reassess the adequacy of this Charter on an annual basis and recommend any proposed changes to the Board for approval.
19. Perform any other activities consistent with this Charter, the Company's Certificate of

Incorporation and Bylaws, and governing law as the Committee or the Board deems appropriate.

To these ends, the Committee shall have and may exercise all the powers and authority of the Board to the extent permitted under the New York Business Corporation Law.

### **Committee Meetings, Structure and Operations**

1. The Committee shall meet as frequently as the Committee deems necessary.
2. The Committee may form and delegate to one or more subcommittees or to members of management (consistent with applicable laws and regulatory requirements) all or a portion of the Committee's authority, duties and responsibilities. The Committee also may establish such rules as it determines necessary or appropriate for its business.
3. The Committee shall have direct access to, and complete and open communication with, management and may obtain advice and assistance from internal legal, accounting or other advisors to assist it. In the course of performing its duties and responsibilities, the Committee also is authorized to select, retain, terminate, and approve the fees and other retention terms of independent legal, accounting or other advisors (including, without limitation, compensation consultants) as it deems appropriate, without seeking approval of management or the Board. The Company shall be responsible for all costs or expenses so incurred.