

DIAGNOSTIC PRODUCTS CORPORATION

Compensation Committee Charter

Adopted by the Board of Directors on March 17, 2004

Purpose

The Compensation Committee is appointed by the Board of Directors to have direct responsibility with respect to the compensation of the Company's chief executive officer and to oversee the compensation of the Company's other executive officers. The Committee also has overall responsibility for approving and evaluating the Company's director and executive compensation plans, policies and programs.

In discharging its role, the Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of director or executive compensation and to approve the consultant's fees and other retention terms. The Compensation Committee shall also have authority to obtain advice and assistance from legal, accounting or other advisors, at the Company's expense.

Committee Membership and Meetings

The Committee shall consist of at least two members, all of whom meet the independence requirements of the New York Stock Exchange. The members of the Committee shall be appointed by the Board on the recommendation of the nominating/governance committee. Committee members may be removed by the Board.

The Committee shall meet at least once per year or more frequently as circumstances dictate.

Committee Responsibilities

In furtherance of its purpose, the Committee shall have the following responsibilities:

1. To review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of his achievement of those goals and objectives, and either as a committee or together with other independent directors (as directed by the board) to determine and approve the CEO's compensation based on this evaluation. In determining the long-term incentive component of CEO compensation, if any, the Compensation Committee should consider, among other relevant factors, the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the CEO in the past years.

2. To review and make recommendations to the Board with respect to the compensation of all directors and executives other than the CEO, including incentive compensation plans and equity-based plans.
3. To annually review its own performance.
4. To administer the Company's stock option plans and to have sole authority to grant options to the Company's executive officers. The Board has delegated authority to the Employee Stock Option Committee to grant options under the Company's stock option plans to persons who are not executive officers. The Employee Stock Option Committee shall be subject to the supervision and control of the Compensation Committee. The Board has retained authority to grant options, based on the recommendations of the Compensation Committee, to non-employee directors of the Company.
5. To make regular reports to the Board on its activities and recommendations.
6. To produce a report on executive compensation as required by the SEC for inclusion in the Company's annual proxy statement.
7. To review and reassess the adequacy of this charter annually and to recommend any proposed changes to the Board for approval.