

Winfull Group Holdings Limited
(the “Company” which together with its subsidiaries, the “Group”)
(Incorporated in the Cayman Islands with limited liability)

REMUNERATION COMMITTEE
TERMS OF REFERENCE

1. Members and Secretary

- 1.1 The majority of the members (the “**Committee Member(s)**”) of the remuneration committee of the Company (the “**Remuneration Committee**”) shall be independent non-executive directors of the Company (the “**INED**”).
- 1.2 The chairman of the Remuneration Committee shall be appointed by the board of directors of the Company (the “**Directors**”) (the “**Board**”).
- 1.3 The secretary of the Remuneration Committee (the “**Secretary**”) shall be appointed by the Board.
- 1.4 The appointment of additional Committee Members or the determination of the office of any Committee Members or the Secretary shall be allowed only by resolutions passed by the Board and the Remuneration Committee respectively.

2. Proceedings of meetings

- 2.1 The Remuneration Committee shall meet at least once every year. Additional meetings shall be held as the work of the Remuneration Committee requires.
- 2.2 Unless agreed by all the Committee Members present at the meeting (note: not all the Committee Members), the notice period for convening a meeting (the “**Committee Meeting(s)**”) of the Remuneration Committee shall not be less than 7 clear days (including non-working days).
- 2.3 Any of the Committee Members can convene a meeting by giving to the Secretary a notice in writing. Upon receipt of such notice, the Secretary shall notify in writing all other Committee Members about the meeting. Any Committee Member can also convene a Committee Meeting by giving a notice (whether written or oral) directly to all other Committee Members. The Secretary can also convene a Committee Meeting by giving to all Committee Members a notice in writing.
- 2.4 Committee Meetings convened by means of oral notices shall be subsequently confirmed by instrument in writing as soon as possible (but in any event not later than the convening of the meeting).
- 2.5 “Written” notices referred to above shall include any notices given by way of facsimile.
- 2.6 The Committee Member or the Secretary convening a meeting shall provide to other Committee Members and the Secretary information about the purposes of the meeting, the time, venue and agenda of the meeting and shall supply to each of them all relevant documents of the meeting and such documents shall be despatched together with the agenda of the meeting. The agenda of the meeting shall be despatched together with the

notice convening the meeting (or the written confirmation of the meeting).

- 2.7 Unless expressed otherwise in the notice convening the meeting, the meeting shall be held in Hong Kong.
- 2.8 The Secretary shall arrange for a telephone with loud-speaker so that in case where any of the Committee Members cannot present at a meeting in person, he can join in the discussion of the agenda of the meeting through telephone calls. Any Committee Member who attends the meeting over the telephone shall be deemed to have been present at the meeting.
- 2.9 The quorum of a meeting shall be not less than three members (excluding the Secretary) and at least two of whom shall be INED. The quorum shall be present at the commencement of and throughout (except during breaks) the meeting.
- 2.10 If within thirty minutes from the time appointed for a meeting, a quorum is not present, upon majority agreement by the members who present, the meeting shall stand adjourned. The notice period for the adjourned meeting shall not be more than one day and the Secretary or any Committee Member can issue such notice. If within 3 minutes from the time appointed for the adjourned meeting, a quorum is not present, the Committee Members present shall duly constitute a quorum and shall be entitled to exercise all the power conferred upon the Committee.
- 2.11 The chairman of the Remuneration Committee shall preside as the chairman of a meeting. If within fifteen minutes from the time appointed for the meeting, the chairman of the Remuneration Committee is not present or, before the meeting, the chairman of the Remuneration Committee has notified the Secretary or any other Committee Member (who should confirm such notification) that he will not be present at the meeting or because of any conflicts of interest, the vice-chairman of the Remuneration Committee (if applicable) or designated person appointed by the Remuneration Committee shall take the chairman of the meeting. If the vice-chairman is not present or unwilling to or because of conflicts of interest cannot preside as the chairman of the meeting, the members present shall choose someone from their number to be the chairman of the meeting.
- 2.12 Each Committee Member present in a meeting shall have one vote. All resolutions passed in the meeting shall be by majority votes. If the votes for and against a resolution are equal, the chairman of the meeting shall have a casting vote.
- 2.13 The Secretary shall attend all the Committee Meetings.
- 2.14 Save for and except with approval from the majority members who present at a Committee Meeting, no persons other than the Committee Members or the Secretary shall be allowed to attend any Committee Meetings.
- 2.15 Save for and except with the approval from all the Committee Members, no discussion on issues not set out in the agenda of the meeting shall be allowed in the Committee Meetings.
- 2.16 The Remuneration Committee may, from time to time, invite advisers to the Committee Meeting, including but not limited to external advisers or consultants to advise on the Committee Members.

3. **Annual General Meeting**

The chairman of the Remuneration Committee or in his/her absence, another member of the Remuneration Committee, shall attend the Company's annual general meeting and be prepared to respond to shareholders' questions on the Remuneration Committee's activities and their responsibilities.

4. **Circulation of minutes and written resolutions**

4.1 The Secretary shall keep record of all minutes of such meetings. The draft minutes of each meeting shall be circulated to all the Committee Members. The minutes shall be confirmed by the chairman of that particular meeting signing the same or confirmed by resolutions passed in the following Committee Meeting or board meeting. All Directors shall, at any time, have access to the minutes of the Committee Meetings.

4.2 After the signing by the chairman of the Committee Meeting on the minutes and written resolutions by the Committee Members, a copy of the minutes or the written resolutions shall be despatched to the Directors (including non-executive Director) for records (with regard to the minutes and written resolutions of the Remuneration Committee, unless instructed otherwise by its members).

4.3 Written resolutions must be passed by all Committee Members.

5. **Authority of the Remuneration Committee**

The Remuneration Committee shall have the following powers:

- (a) to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and Senior Management (as defined below) and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- (b) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- (c) to review and approve the compensation payable to Executive Directors and Senior Management (as defined below) 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 Company;
- (d) to 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; and
- (e) to do any such things to enable the Remuneration Committee to discharge its powers and functions conferred on it by the Board.

For the purpose of clauses 5 and 6, "**Senior Management**" means individual or individuals which are determined by the Board as senior management of the Company, it should include all those same category of persons referred to in the annual report of the Company. Senior management may also include directors of subsidiaries, heads of

divisions, departments or other operating units within the group as, in the opinion of the Directors, appropriate.

6. Responsibilities of the Remuneration Committee

The Remuneration Committee shall:

- (a) have the delegated responsibility from the Board 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, and also review and make recommendations on the Company's share option scheme and other compensation-related issues. The Remuneration 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;
- (b) ensure that no Director or any of his associates is involved in deciding his own remuneration;
- (c) determine the criteria for assessing employee performance, which should reflect the Company's business objectives and targets;
- (d) consider the annual performance bonus for Executive Directors, Senior Management and the general staff, having regard to their achievements against the performance criteria and by reference to market norms, and make recommendation to the Board;
- (e) to engage external professional advisers to advise the Remuneration Committee on issues as the Remuneration Committee considers necessary;
- (f) to consult the chairman and/or chief executive officer about their proposals and recommendations relating to the remuneration of other Executive Directors and have access to professional advice if considered necessary;
- (g) advise shareholders on how to vote with respect to any service contracts of the Directors that require shareholders' approval under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"); and
- (h) report to the Board the findings and recommendations of the Remuneration Committee at the next meeting of the Board following each Committee Meeting.

7. The articles of association of the Company

- 7.1 These terms of reference shall not prevail the articles of association of the Company, in particular for the provisions where a director is not allowed to vote in the case of conflicts of interest.
- 7.2 The provisions relating to the proceedings of the meetings of the Directors stipulated in the articles of association not mentioned above shall be applicable to the proceedings of

the Committee Meetings.

- 7.3 The articles of association of the Company regulating the meetings and proceedings of the Directors, so far as the same are applicable and not inconsistent with the provisions of these regulations, shall apply to regulate the meetings and proceedings of the Remuneration Committee.

8. Powers of the Board

Provided that it does not contravene the articles of association of the Company and the Listing Rules (including the Code on Corporate Governance Practices), the Board can, from time to time, amend, make addition to or cancel any regulations and rules stipulated hereof, including the cancellation of any resolutions passed by the Remuneration Committee. Any arrangements made after the passing of a resolution of the Remuneration Committee shall remain in full force and effect notwithstanding that such resolution has been cancelled or amended by the resolutions of the Board. The Committee Meetings shall remain valid until the resolution hereof has been amended.

9. Address of communication, etc.

- 9.1 Each of the Directors shall supply to the Secretary information as to his correspondence address and contact number for the purpose of receiving notices (including but not limited to notice from the Board, audit committee, nomination committee and the Remuneration Committee) issued by the Company. The Secretary shall notify each of the Directors the correspondence address and contact number of the other Directors.
- 9.2 The correspondence address and contact number of the Directors who have not supply such information to the Secretary shall be deemed to be at the Company's place of business in Hong Kong from time to time and the Company's telephone number.
- 9.3 Every notice and communication made pursuant to these terms of reference shall be despatched or sent to the correspondence address of each Director. If a notice or communication is made by means of telephone calls, message can be left in the mailbox.
- 9.4 The date of notice and the date of the meeting shall be inclusive in the calculation of the notice period.

10. Appointment of alternates

No Remuneration Committee Member shall appoint any alternates.

11. Constitution

The Remuneration Committee was established pursuant to a resolution passed by the Board at a meeting held on 23 March 2007 and revised by the Board at a meeting held on 28 February 2011.