

RUNWAY GLOBAL HOLDINGS COMPANY LIMITED
(“Company”, together with its subsidiaries, the “Group”)
TERMS OF REFERENCE AND MODUS OPERANDI OF
CORPORATE GOVERNANCE COMMITTEE
(“Committee”)

(Adopted on 22 November 2013)

Membership

1. The Committee shall comprise not less than three members appointed by the Company’s board of directors (“**Board**”) from time to time, the majority of whom shall be independent non-executive directors under the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”).
2. The chairman of the Committee shall be appointed by the Board and shall be the chairman of the Board or an independent non-executive director.
3. The company secretary of the Company or his nominee shall act as the Committee’s secretary.

Frequency and proceedings of meetings

4. The Committee shall meet at least annually. Additional meetings shall be held as the work of the Committee demands.
5. In addition, the Committee’s chairman may convene additional meetings at his discretion.
6. The quorum of a meeting shall be three Committee members, the majority of whom shall be independent non-executive directors.
7. Proceedings of the Committee’s meetings shall be governed by articles 117 to 118 of the Company’s articles of association.

Duties, powers and functions

8. The Committee shall –
 - (a) formulate corporate governance policy for the purpose of keeping the effectiveness of the corporate governance and system of internal non-financial controls of the Group for the Board’s consideration and implement the Board’s approved corporate governance policy; and
 - (b) without prejudice to the generality of the foregoing:

- (i) review and make recommendations to the Board in respect of the Group's policies and practices on corporate governance;
 - (ii) review and monitor the training and continuous professional development of directors and senior management;
 - (iii) review and monitor the Group's policies and practices on corporate governance;
 - (iv) review and monitor the Group's policies and practices on compliance with any requirement, direction and regulation that may be prescribed by the Board, contained in any constitutional documents of the Group, or imposed by the GEM Listing Rules, other applicable laws, regulations, rules and codes;
 - (v) develop, review and monitor the code of conduct and compliance manual (if any) applicable to the employees of the Group and the directors of the Company;
 - (vi) ensure that appropriate monitoring systems are in place to ensure compliance against the relevant internal control systems, processes and policies;
 - (vii) monitor the implementation of the Group's plan to maintain high compliance with own risk management standards;
 - (viii) review the Company's compliance with the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules and arrange for disclosure in the Corporate Governance Report in the financial reports of the Company;
 - (ix) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
 - (x) conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Company's constitution or imposed by legislation.
9. The Committee shall be provided with sufficient resources to enable it to perform its functions, including the resources for seeking independent professional advice.
10. The Committee shall perform and report to the Board the matters as set out in code provision D.3 in Appendix 15 to the GEM Listing Rules.

Reporting Procedures

11. The Committee shall report to the Board on a regular basis. At the next Board meeting following a Committee's meeting, the Committee's chairman shall report the Committee's findings and recommendations to the Board.