

TEXWINCA HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(the “**Company**”)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

The Board of directors of the Company (the “**Board**”) resolved on 1 April 2005 to establish a committee of the Board to be known as the Remuneration Committee (the “**Committee**”).

MEMBERSHIP

1. The members of the Committee shall be appointed by the Board amongst its members and comprising a majority of which shall be independent non-executive directors of the Company.
2. The chairman of the Committee (the “**Committee Chairman**”) shall be an independent non-executive director of the Company appointed by the Board.

ATTENDANCE AT MEETINGS

3. At the invitation of the Committee, the chairman of the Board, external advisers and other persons may be invited to attend all or part of the meeting(s).
4. The company secretary of the Company or his or her nominee acts as the secretary of the Committee.

MEETINGS

5. Meeting of the Committee shall be held at least once a year and as otherwise required.
6. Notice of meetings has to be given at least 14 days prior to any such meeting being held, unless all Members of the Committee unanimously waive such notice.
7. A quorum shall be two (2) members of the Committee provided that if any members of the Committee are interested in any nomination submitted to the Committee for consideration or approval, such member shall declare the nature of his/her interest and shall not be counted in the quorum present at the meeting and his/her vote shall also not be counted.
8. Meeting(s) of the Committee may be conducted in person or through electronic communication, including by telephone or video conference.
9. A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

AUTHORITY

10. The Committee shall have access to such information and advice, both from within the Company and externally, as it deems necessary.
11. Upon reasonable request, the Committee members can obtain independent professional advice in appropriate circumstances.
12. The Committee shall be provided with sufficient resources to perform its duties.

DUTIES

13. The duties of the Committee shall be:-
 - (a) to make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
 - (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
 - (c) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
 - (d) to make recommendations to the Board on the remuneration of non-executive directors;
 - (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
 - (f) to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
 - (g) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

- (h) to ensure that no director or any of their associates is involved in deciding that directors' own remuneration; and
- (i) to review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, if any.

The Committee member(s) should consult the Chairman of the Board about their remuneration proposals for other executive directors.

REPORTING PROCEDURES

14. The secretary of the Committee shall circulate the minutes of meeting of the Committee to all members of the Committee after each meeting.

ATTENDANCE IN ANNUAL GENERAL MEETING

15. The Committee Chairman or another member of the Committee shall attend the annual general meeting of the Company and be available to answer questions at the annual general meeting of the Company.