

WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED

威雅利電子（集團）有限公司

TERMS OF REFERENCE - COMPLIANCE COMMITTEE

1. ESTABLISHMENT

- 1.1 The Compliance Committee (the “Committee”) is established by the board of directors (the “Board”) of Willas-Array Electronics (Holdings) Limited (the “Company”).

2. COMPOSITION

- 2.1 The Committee shall have a minimum of three members (the “Members”), who shall be appointed by the Board out of their own number, provided that all the Members shall be non-executive directors and a majority of the Members shall be independent non-executive directors.
- 2.2 The Committee shall appoint one of its Member who is an independent non-executive director to be the Chairman. In the absence of the Chairman at a meeting of the Committee, the remaining Members present shall elect one of their numbers to chair the meeting.
- 2.3 A Member who wishes to retire or resign from the Committee should provide sufficient notice to the Company so that a replacement may be appointed before he leaves.
- 2.4 In the event of a vacancy, the Company shall endeavour to fill the vacancy as soon as possible.

3. SECRETARY

- 3.1 The Company Secretary of the Company shall be the Secretary of the Committee. In the absence of the Secretary, the Committee may appoint another person to be the Secretary of the meeting.

4. QUORUM

- 4.1 The quorum necessary for the transaction of business shall be two, of whom at least one must be an independent non-executive director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested or exercisable by the Committee.

5. MEETINGS

- 5.1 The Committee shall meet not less than once a year and at such other times as the Chairman of the Committee or any Member shall require.

- 5.2 Questions arising at any meeting of the Committee shall be determined by a majority of votes, provided that a majority of the Members participating in such a decision shall be independent.
- 5.3 The Committee may invite other directors and executive officers of the Company to attend any meeting.
- 5.4 Except for the provision under paragraph 4 above, the Committee may regulate and amend the provisions relating to its own procedure and in particular the calling of the meetings, the notice to be given of such meetings, the voting and proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.

6. NOTICE OF MEETINGS

- 6.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee or by any Member.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each Member no less than three working days prior to the date of the meeting.

7. MINUTES OF MEETINGS

- 7.1 The Secretary or any one appointed to represent the Secretary at the meeting shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2 Any minutes signed by the Chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence without any further proof of the facts stated therein. Draft and final versions of the minutes shall be circulated to all the Members for their comments and records within a reasonable time after the meeting.
- 7.3 Full minutes of the Committee shall be kept by the Secretary of the Committee.
- 7.4 The Committee shall report to the Board when appropriate and submit any recommendations for endorsement by the entire Board.

8. FUNCTIONS, DUTIES AND POWERS

- 8.1 The Committee shall be responsible for overseeing all regulatory and accounts-related compliance matters and corporate governance requirements. The primary functions of the Committee include:
 - 8.1.1 reviewing and making recommendations to the Board in respect of the Company's policies and practices on corporate governance, compliance with applicable laws of Singapore and Hong Kong and any requirement, direction or regulation that may be prescribed by the Board, contained in any of the Company's constitutional documents, or imposed by the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX Listing Manual"), the Code of Corporate Governance 2012 issued by the Monetary Authority of Singapore ("Code of Corporate Governance") and the

Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”);

- 8.1.2 monitoring the training and continuous professional development of directors and senior management of the Company;
- 8.1.3 reviewing and monitoring the Company’s policies and practices on compliance with legal and regulatory requirements;
- 8.1.4 developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to the employees and directors of the Company; and
- 8.1.5 reviewing the Company’s compliance with the code provisions of the corporate governance code set out in Appendix 14 of the Listing Rules and Code of Corporate Governance and the disclosure as required under the SGX Listing Manual, Code of Corporate Governance and Listing Rules in relation to the Company’s annual report.

9. AUTHORITY

- 9.1 The Committee is to be provided with sufficient resources to perform its duties and is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.
- 9.2 The Committee shall have access to expert advice inside and/or outside the Company as required. In connection with its duties, the Committee is authorised by the Board to obtain, at the Company’s expense, outside legal or other independent advice.

10. RESOLUTIONS IN WRITING AND MEETINGS BY CONFERENCE CALLS

- 10.1 A resolution in writing signed or approved by letter, telex or facsimile by a majority of Members (of whom at least one must be an independent non-executive director) shall be effective for all purposes as if it was a resolution passed at a meeting of the Committee duly convened, held and constituted. Any such resolution may consist of a single document or several documents all in like form each signed by one or more Members.
- 10.2 The Committee may conduct its meeting by means of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means without a Member being in the physical presence of another Member or Members and participation in a meeting in such manner shall be deemed to constitute presence in person at such meeting. Minutes of such a meeting signed by all participants of the meeting shall be conclusive evidence of any resolution of any meeting conducted in such manner.

Compliance Committee – Terms of Reference
(Adopted at the Board meeting held on November 14, 2013)