

*The original version of the Rules of Procedure for the Remuneration and Assessment Committee of the Board of Directors is in Chinese, and the English version of the Rules of Procedure for the Remuneration and Assessment Committee of the Board of Directors is the translation from the Chinese original. Should there be any discrepancy between the Chinese and English versions of the Rules of Procedure for the Remuneration and Assessment Committee of the Board of Directors, the Chinese version shall prevail.*

**無錫盛力達科技股份有限公司**  
**Wuxi Sunlit Science and Technology Company Limited**  
*(a joint stock company established in the People's Republic of China with limited liability)*

**Rules of Procedures for the Remuneration and  
Assessment Committee of the Board of Directors**  
(Passed at the fifth extraordinary meeting of the first Board of Directors of  
Wuxi Sunlit Science and Technology Company Limited on August 16th 2013)

**Chapter 1 General Provisions**

**Article 1** To further establish a sound assessment and remuneration management system of directors (non-independent directors) and senior management of Wuxi Sunlit Science and Technology Company Limited (hereinafter referred to as the “**Company**”) and to improve the corporate governance structure, in accordance with the Company Law of the People’s Republic of China, the Guidelines for Corporate Governance of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Listing Rules**”) and the Corporate Governance Code and Corporate Governance Report set out in its Appendix 14, the Articles of Association of Wuxi Sunlit Science and Technology Company Limited (hereinafter referred to as the “**Articles of Association**” or the “**Articles**”) and other relevant provisions, the Company has hereby established the Remuneration and Assessment Committee of the Board of Directors (hereinafter referred to as the “**Remuneration and Assessment Committee**”) and formulated these Rules of Procedures.

**Article 2** The Remuneration and Assessment Committee of the Board of Directors is a special work organization established under the Board of Directors to be mainly responsible for formulating the assessment standards for directors and senior management of the Company and conducting assessment; formulating and reviewing the remuneration policies and plans of directors and senior management of the Company.

**Article 3** Directors mentioned in the Rules of Procedures refer to the directors receiving remuneration from the Company and the senior management refers to general manager, deputy general manager, financial executive officer and secretary to the Board as well as other senior management nominated by the Articles or the Board of Directors.

**Article 4** The Remuneration and Assessment Committee of the Board of Directors is led by the Board of Directors to carry out work, perform duties faithfully, loyally, diligently in the best interest of the Company and all shareholders.

## **Chapter 2 Composition**

**Article 5** More than half of members of the Remuneration and Assessment Committee shall be independent directors. Members of the Remuneration and Assessment Committee shall be nominated by the Chairman of the Board or more than half of the independent non-executive Directors or one-third of all directors, and shall be elected by the Board of Directors.

**Article 6** The Remuneration and Assessment Committee shall have one chairman who shall be an independent non-executive Director and be responsible for leading the work of the Committee. The chairman of the Committee shall be elected by the Board of Directors.

**Article 7** The term of office of the Remuneration and Assessment Committee shall be the same as that of the Board of Directors. Each member of the Committee shall be eligible for re-election upon completion of his term of office. During his term of office, if any committee member ceases to be a director of the Company, his membership in the Remuneration and Assessment Committee shall lapse automatically. When there is a vacancy in the Committee, the vacancy shall be filled by the Board of Directors in accordance with Articles 5 to 6 of the Rules of Procedures.

**Article 8** The Remuneration and Assessment Committee may establish a working unit as a daily administrative body. The working unit is led by general management department and shall be primarily responsible for the timely contact and communication between the Remuneration and Assessment Committee and the Company, collecting and organizing relevant information, preparing for and organizing meetings of the Remuneration and Assessment Committee and specific tasks assigned by the Remuneration and Assessment Committee.

## **Chapter 3 Duties and Authorities**

**Article 9** The major duties of the Remuneration and Assessment Committee include:

- (1) the committee has the right to request data and information from the management of the Company, subordinate units or staff under the circumstances of it is related to the duties of the Committee;
- (2) to make recommendations to the Board on the establishment of a formal and transparent procedure for developing remuneration policy and the remuneration policy and frameworks of the directors and senior management members;
- (3) to review and approve the management's remuneration proposals by reference to the board's corporate goals and objectives;
- (4) with authorization from the Board, to make the remuneration packages of individual executive directors and senior management or make recommendations to the Board of Directors on the remuneration packages of individual executive directors and senior management. It shall include benefits in kind, pension and compensation payments (including any compensation payable for loss or termination of office or appointment);
- (5) the committee shall consult the chairman of the Board or the general manager about the recommendations on the remuneration packages of other Executive Directors. If necessary, the Committee shall seek independent professional advice;

- (6) to make recommendations to the Board on the remuneration of non-executive Directors;
- (7) to consider salaries paid by comparable companies, time commitment and responsibilities and employment terms of other positions of the Company;
- (8) 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; In case of any non-consistency, such compensation shall be reasonable and appropriate, not excessive;
- (9) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms; In case of any non-consistency, such compensation shall be otherwise reasonable, appropriate, and not excessive;
- (10) to ensure that no director or any of his associates is involved in deciding his own remuneration;
- (11) to examine the performance of duties of the directors and senior management of the Company and to appraise their annual performance, formulate annual bonus plan which shall be submitted to the board of directors for approval;
- (12) to supervise the implementation of the remuneration system of the Company;
- (13) other matters authorized by the Board.

**Article 10** Any remuneration plan proposed by the Remuneration and Assessment Committee shall be agreed on by the Board of Directors and then submitted to the shareholders' general meeting for consideration and approval prior to implementation. Any proposal of remuneration distribution plan for senior management officers of the Company shall be submitted to the Board of Directors for approval. The Board of Directors has the right to veto remuneration plans or proposals that are detrimental to the interests of the shareholders.

#### **Chapter 4 Rules of Procedures**

**Article 11** The working unit under the Remuneration and Assessment Committee shall be responsible for the preliminary preparation work for meetings of the Remuneration and Assessment Committee and gathering information from relevant departments regarding:

- (1) the progress of fulfillment by the Company of its key financial targets and business objectives;
- (2) the scope of supervision of the Company's senior management officers and their respective main duties;
- (3) the progress of target achievement being considered in the appraisal system of working performance of directors and senior management officers;
- (4) the results and operational performance of the directors and senior management officers based on their business innovative and profit-making ability;
- (5) the basis for formulating the Company's remuneration distribution plans and methods based on the Company's performance.

**Article 12** The procedures for appraising the directors and senior management officers by the Remuneration and Assessment Committee are as follows:

- (1) the directors and senior management officers of the Company shall report their work and provide self-appraisals to the Remuneration and Assessment Committee;
- (2) the Remuneration and Assessment Committee shall carry out performance appraisal of the directors and senior management officers according to the performance appraisal criteria and procedures;
- (3) a proposal on the amounts of remuneration and incentive methods for the directors and senior management officers based on the results of performance appraisal and the remuneration policies shall be made and reported to the board of directors.

### **Chapter 5 Rules of Procedures for Meetings**

**Article 13** The Remuneration and Assessment Committee shall hold at least one meeting each year, and all members of the Committee shall be given seven days' advance notice prior to the convening of the meeting, the chairman of the Committee shall preside over the meeting, in the event that the chairman of the Committee is unable to perform his duties, another member designated by him shall preside over the meeting.

**Article 14** Meetings of the Remuneration and Assessment Committee shall be held with the presence of more than two thirds of its members. Each member shall be entitled to one vote. Resolutions of a meeting must be adopted by the affirmative votes of more than half of all members.

**Article 15** The Remuneration and Assessment Committee shall vote by a show of hands or by a poll. Extraordinary meetings may also be convened in the form of on-site meeting or vote by communications.

**Article 16** The Remuneration and Assessment Committee may invite other directors, supervisors and senior management members of the Company to attend such meetings if necessary.

**Article 17** If necessary, the Remuneration and Assessment Committee may engage an intermediary institution to form a professional opinion as its reference in making decision. The cost shall be borne by the Company.

**Article 18** When the Remuneration and Assessment Committee discusses any matter relating to its member, the members involved shall refrain from such meeting.

**Article 19** The remuneration policies and distribution plans passed at the meetings of the Remuneration and Assessment Committee shall comply with relevant laws, regulations, the Company's Articles of Association.

**Article 20** The Remuneration and Assessment Committee shall keep minutes for its meetings, and the minutes shall be maintained by the Secretary to the Board of the Company.

**Article 21** Resolutions and poll results adopted at the meetings of the Remuneration and Assessment Committee shall be reported to the Company's board of directors for approval.

**Article 22** Members attending the meeting shall keep confidential all matters discussed at the meeting. Unauthorized disclosure of the relevant information shall be prohibited.

## **Chapter 6 Supplementary Provisions**

**Article 23** These Rules of Procedure shall come into effect upon approval by the Board of Directors and the date of the Company's initial public offerings of overseas listed foreign shares (H share) and listing on the Stock Exchange of Hong Kong, and it shall replace the previous rules of procedure for implementation.

**Article 24** Matters not covered by these Rules of Procedure shall be implemented in accordance with the provisions of relevant laws, regulations and the Articles of Association of the Company. In case of any contradiction between these Rules of Procedure and laws, regulations promulgated in future or the amended Articles of Association of the Company by legal procedures, the provisions of such laws, regulations and Articles of Association of the Company shall prevail, and these Rules of Procedure shall be revised instantly and be reported to the Board of Directors for approval.

**Article 25** The power of interpretation of these Rules of Procedure shall be vested in the Board of Directors of the Company.

**Wuxi Sunlit Science and Technology Company Limited**  
August 16th, 2013