

Kwong Man Kee Group Limited

鄺文記集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8023)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

CONSTITUTION

1. The board of directors (the “**Board**”) of Kwong Man Kee Group Limited (the “**Company**”) has resolved to establish a committee of the Board to be known as the Nomination Committee (the “**Committee**”) on 24 September 2016.

MEMBERSHIP

2. Under the Constitution, the Committee consists of not less than three members with at least one member with a different gender appointed by the Board of the Company, majority of whom are independent non-executive directors (the “**INEDs**”). The quorum for meeting shall not be less than two members.
3. The chairman of the Committee shall be any one of the members of the Committee who is an INED or the chairman of the Board and appointed by the Board.
4. The chairman of the Committee shall chair the meetings of the Committee. In the absence of the chairman of the Committee, the remaining members present at the meeting shall elect one amongst themselves to chair the meeting of the Committee.
5. The secretary of the Committee (who shall be the secretary of the Company save as otherwise appointed by the Committee) or his/her delegate shall attend meetings of the Committee to take minutes. In the absence of the secretary of the Committee, the members present at the meeting of the Committee shall elect another person as the secretary.

FREQUENCY AND PROCEDURE OF MEETINGS

6. The Committee shall meet at least once a year and otherwise as required. Unless otherwise stated herein, proceedings of meetings of the Committee shall be governed by the provisions of the articles of association of the Company as amended from time to time.

NOTICE OF MEETINGS

7. Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any of its members.

8. Unless otherwise agreed, notice of each meeting confirming the venue, date and time shall be forwarded to each member of the Committee, and to any other person required to attend:
 - (a) In relation to all regular meetings of the Committee, at least seven calendar days before the date of the meetings; and
 - (b) In relation to all other meetings of the Committee, within a reasonable time prior to the date of the meeting.
9. Supporting papers of meetings shall be sent to Committee members and to other attendees, as appropriate, within a reasonable time before the holding of the meeting.

ANNUAL GENERAL MEETING

10. The chairman of the Committee shall, or in the event the chairman is not available, another member of the Committee shall, attend the annual general meeting of the Company and be prepared to respond to any shareholders' questions on the Committee's activities and their responsibilities.

AUTHORITY

11. The Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorized to seek any information it reasonably requires from any officer or executive of the Company and all officers and executives are directed to co-operate with any reasonable request made by the Committee.
12. The Committee is authorised by the Board to obtain independent legal and other professional advice and to secure the attendance of outsiders with relevant experience and expertise if the Committee considers it necessary. The Committee shall be provided with sufficient resources to discharge its duties. The Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external party who advises the Committee.

DUTIES

13. The Committee shall have the following duties:
 - (a) formulate and annually review the policy on Board diversity (the “**Board Diversity Policy**”) and any measurable objectives for implementing such Board Diversity Policy (e.g. numerical targets and timelines) that it has set for the promotion of gender diversity on the Board and the measures the Company has adopted to develop a pipeline of potential successors to the Board to achieve gender diversity;

- (b) formulate and review nomination policies for the Board's consideration and implement the Board's approved policies;
 - (c) review the structure, size, composition and diversity (including without limitation, gender, age, cultural and educational background, professional experience, skills, knowledge and length of service) of the Board at least annually, and make recommendations on any proposed changes to the Board to maintain a board skills matrix and complement the Company's corporate strategy;
 - (d) identify individuals suitably qualified to become members of the Board and to select or make recommendations to the Board on the selection of individuals nominated for directorships;
 - (e) assess the independence of each newly proposed INED and the existing INEDs on an annual basis or as and when the Committee considers necessary and report its review results to the Board;
 - (f) make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman of the Board and the chief executive officer of the Company;
 - (g) conduct an annual assessment of each Director's time commitment and contributions to the Board, as well as the ability to discharge his/her responsibilities effectively;
 - (h) support the Company's regular evaluation of the Board's performance;
 - (i) review and monitor the training and continuous professional development of directors and senior management; and
 - (j) where the Board proposes a resolution to elect an individual as an INED at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe he/her should be elected and the reasons why they consider the individual to be independent.
14. The Committee shall ensure that no director or any of his/her close associates shall be involved in any decisions as to his/her own directorship.

REPORTING PROCEDURES

15. Full minutes of the Committee's meeting shall be kept by a duly appointed secretary of the meeting, and such minutes shall be open for inspection at any reasonable notice by any director.
16. Minutes of the meetings of the Committee shall record in sufficient detail the matters considered by the Committee and decisions reached, including any concerns raised by directors, members or dissenting views expressed. Draft and final versions of minutes of such meetings should be sent to all members of the Committee for their comments and records respectively, in both cases within a reasonable time after such meetings.
17. Without prejudice to the generality of the duties of the Committee set out in these Terms of Reference, the Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations unless there are legal or regulatory restrictions on its ability to do so.

FREQUENCY OF REVIEW

18. These Terms of Reference should be reviewed on an annual basis and when necessary, and can be revised by the Board from time to time. Any change to these Terms of Reference shall be subject to the approval of the Board.

AVAILABILITY OF THESE TERMS OF REFERENCE

19. The Committee shall make available these Terms of Reference on request and by inclusion on the websites of the Company and The Stock Exchange of Hong Kong Limited, thereby explaining its role and authority delegated to it by the Board.

These Terms of Reference are prepared in English. In case of any inconsistency between the English version and the Chinese version, the English version shall prevail.