HAO BAI INTERNATIONAL (CAYMAN) LIMITED
浩柏國際（開曼）有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8431)
(the "**Company**" and together with its subsidiaries, the "**Group**")

THE NOMINATION COMMITTEE TERMS OF REFERENCE

These terms of reference of the Nomination Committee of the Company (the "**Committee**") have been prepared based on the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**", "**GEM**" and the "**Exchange**" respectively).

Composition

1. The Committee is established by the board of directors (the "**Board**") of the Company (the "**Directors**") according to the articles of association of the Company (the "**Articles of Association**") and the establishment would be effective from the date on which the shares of the Company are listed on GEM.

Members

2. The Committee members must be appointed by the Board and shall consist of not less than three members. The majority of the Committee must be independent non-executive Directors (the "**INEDs**") and at least one director of a different gender.

3. The Chairman of the Committee shall be appointed by the Board and must be the chairman of the Board or an INED.

4. Subject to Rules 2 and 3 above, the Board may, from time to time, at their discretion, change the composition of the members of the Committee. An appointment of a member of the Committee shall be automatically revoked if such member ceases to be a member of the Board.

Secretary

5. The Committee may appoint the company secretary of the Company or any other person with appropriate qualification and experience as the secretary of the Committee. Full minutes of the meetings should be kept by the secretary.

Frequency and proceedings of meetings

6. The Committee shall meet at least once a year. Additional meetings should be held as and when the work of the Committee demands.

7. The quorum of a meeting shall be two members of the Committee, one of whom must be an INED.

8. The Committee members could attend the meetings in person, by telephone or by video conference.

9. Resolutions of the Committee shall be passed by more than half of the members of the Committee.

10. 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.

11. Unless otherwise stated herein, proceedings of meeting of the Committee shall be governed by the relevant provisions of the Articles of Association regulating the meetings and proceedings of Directors (as amended from time to time).

Authority

12. All members of the Committee can have access to the advice and services of the secretary who is responsible to the Committee for ensuring that procedures of the Committee and all applicable rules and regulations are followed.

13. The Committee shall be provided with sufficient resources to perform its duties and may seek independent professional advice in appropriate circumstances at the Company's expenses to perform its duties.

14. The Committee is authorised by the Board to investigate any activity within its terms of reference and seek any necessary information which is within its scope of duties from the employees of the Company and its subsidiaries (including members of the Board).

Duties

15. Main duties of the Committee should include: -

    (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

    (b) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

(c) to assess the independence of INEDs;

(d) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive;

(e) where the Board proposes a resolution to elect an individual as an INED at the general meeting, the Committee should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe the individual should be elected and the reasons why they consider the individual to be independent; and

(f) to set out a policy concerning diversity of members of the Board, and should disclose the policy or a summary of the policy in the corporate governance report.

Reporting Procedures

16. The Committee should report to the Board, identify any matters in respect of which it considers that action or improvement is needed, and make recommendations as to the steps to be taken.

17. Full minutes and written resolutions should be kept by the secretary of the Committee. Draft and final versions of minutes of the meetings should be sent to all Committee members for their comments and records, within a reasonable time after the meeting. Written resolutions should be promptly sent to all Committee members for their records after the written resolutions are passed.

18. At the next meeting of the Board following a meeting of the Committee, the Chairman of the Committee shall report to the Board on the works and recommendations of the Committee since the last Board meeting (if any). At least once annually, the Committee should present a report in writing to the Board which addresses the work of the Committee during the year.

Others

19. The Committee shall give adequate consideration to the principles that the Board should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business. The Committee should ensure that changes to the Board's composition can be managed without undue disruption. The Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgment. Non-executive Directors should be of sufficient calibre and number for their views to carry weight.

20. The Committee shall give adequate consideration to the principles that there should be a formal, considered and transparent procedure for the appointment of new Directors. There should be plans in place for orderly succession for appointments and that all Directors should be subject to re-election at regular intervals. The Committee should ensure that the Company must explain the reasons for the resignation or removal of any Director.

21. The Committee should make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the Exchange's website and the Company's website.

22. Any changes to the terms of reference shall be effective after they have been approved by the Board.

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Adopted on: 19 January 2017