

## **NOMINATION COMMITTEE**

### **TERMS OF REFERENCE**

#### **1. CONSTITUTION**

Pursuant to the resolutions passed on 20th February, 2012 by the board of directors of the Company (the “Board”), a Nomination Committee (the “Committee”) was established.

#### **2. PURPOSE**

To review the size, structure and composition of the Board and identify and recommend appropriate candidates for election or re-election to the Board so as to ensure that all nominations of Board members are fair and transparent.

#### **3. RESPONSIBILITIES**

The Committee shall have the following responsibilities:

- 3.1 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;
- 3.2 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;
- 3.3 to assess the independence of Independent Non-executive Directors and review Independent Non-executive Directors’ annual confirmations on their independence;
- 3.4 to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors; and
- 3.5 to regularly review the time required from a Director to perform his responsibilities.

#### **4. AUTHORITY**

- 4.1 The members of the Committee can have access to the advice and services of the Company Secretary who is responsible to the Committee for ensuring that Committee procedures, and all applicable rules and regulations, are followed.
- 4.2 The members of the Committee may upon reasonable request to the Chairman of the Committee and the Chairman of the Company, seek independent professional advice at the Company's expense to assist them to discharge their duties to the Company.
- 4.3 The Committee shall be provided with sufficient resources to perform its duties.

#### **5. MEMBERS**

- 5.1 The members of the Committee shall be appointed by the Board.
- 5.2 The majority of the members of the Committee shall be Independent Non-executive Directors.
- 5.3 Chairman of the Committee shall be appointed by the Board and the Committee shall be chaired by the Chairman of the Board or an Independent Non-executive Director.

#### **6. MEETING AND PROCEEDINGS**

- 6.1 Unless otherwise stated herein, the meetings are governed by the provisions contained in the Company's Articles of Association for regulating the meetings and proceedings of Directors.
- 6.2 The Committee shall meet at least once a year and at such other times as the Chairman of the Committee shall require or at the request of two members of the Committee.
- 6.3 The quorum of a Committee meeting shall be any two members of the Committee one of whom must be Independent Non-executive Director.
- 6.4 Meeting could be held in person, by telephone or by video conference. Members of the Committee may participate in a meeting by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other.
- 6.5 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.

## **7. ANNUAL GENERAL MEETINGS**

- 7.1 The Chairman of the Committee shall endeavour to attend the Annual General Meetings of the Company and be prepared to respond to any shareholder questions on the Committee's activities.
- 7.2 If the Chairman of the Committee is unable to attend an Annual General Meeting of the Company, he shall arrange for another member of the Committee, or failing this, his duly appointed delegate, to attend in his place. Such person shall be prepared to respond to any shareholder questions on the Committee's activities.

## **8. MINUTES AND RECORDS**

- 8.1 Proper minutes of Committee meetings shall be kept by the Company Secretary and shall be open for inspection by any Director at any reasonable time on reasonable notice by the Director.
- 8.2 Minutes of Committee meetings shall record in sufficient detail the matters considered by the Committee and decision reached, including any concerns raised by the Committee members or dissenting views expressed.
- 8.3 Draft and final versions of minutes of the Committee shall be circulated to all members of the Committee for their comment and records respectively, within a reasonable time after the meeting is held.

## **9. INCORPORATION OF AMENDMENTS TO THE LISTING RULES**

- 9.1 These terms of reference have been prepared based on the Corporate Governance Code (the "Code") in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").
- 9.2 To the extent that there are any relevant amendments to the Code or the Listing Rules after the date of adoption of these terms of reference which the Company is expected to comply with (the "Relevant Amendments"), the Company will make corresponding changes to these terms of reference as soon as reasonably practicable to incorporate the Relevant Amendments. Pending such change, the Relevant Amendments shall be deemed to have been incorporated into these terms of reference from the date on which they come into effect.
- 9.3 To the extent that there are any relevant amendments to the Code or the Listing Rules after the date of adoption of these terms of reference which are for the Company's guidance only, such amendments shall only be incorporated into these terms of reference after they have been duly adopted by the Board.

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