ELL Environmental Holdings Limited

強泰環保控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1395)

TERMS OF REFERENCE OF NOMINATION COMMITTEE

Definitions

1. For the purposes of these terms of reference (the "**Terms**"):

Board means the board of directors of the Company.

Board Diversity Policy means the policy concerning the diversity of Board members.

Chairman means the chairman of the Nomination Committee.

Chief Financial Officer means the senior officer of the Company responsible for financial management as appointed by the Board from time to time.

Company Secretary means the company secretary of the Company.

Corporate Governance Report means the annual corporate governance report of the Company.

Directors means the directors of the Company.

Group means the Company and its subsidiaries and associated companies at the relevant time or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries and associated companies, the present subsidiaries and associated companies of the Company or the businesses operated by its present subsidiaries and associated companies or (as the case may be) its predecessor.

Listing Rules means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time).

Nomination Committee (or the **Committee**) means the nomination committee established by the resolution of the Board in accordance with clause 2 of these Terms.

Senior Management means the chairman, vice chairman, president, chief executive officer, executive president, vice president, chief financial officer, chief information officer, general counsel, company secretary and any other officers of the Company appointed by the Board from time to time; any other officers of the Company whose remuneration package is, or is proposed to be, more favourable than that of any officer appointed by the Board; and any other employees of the Company as may be determined by the Company's remuneration committee.

Shareholders means the shareholders of the Company.

Stock Exchange means The Stock Exchange of Hong Kong Limited.

Workforce Diversity Policy means policy concerning the diversity of the Company's workforce.

Constitution

2. The Nomination Committee was established by resolutions of the Board on 5 September 2014.

Membership

3. The members of the Nomination Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three members, a majority of whom should be independent non-executive Directors who shall meet and maintain the independence requirements set out in the Listing Rules. The members of the Nomination Committee shall have at least one member of a different gender. The quorum of a Committee meeting shall be any two members of the Committee, one of whom must be independent non-executive Director.

4. The Chairman shall be the chairman of the Board or an independent non-executive Director who shall be appointed by the Board to be the Chairman.

Frequency and procedure of meetings

5. Unless otherwise stated herein, the meetings are governed by the provisions contained in the Company's articles of association for regulating the meeting and proceedings of Directors.

6. Meetings shall be held not less than once a year. The Chairman shall convene a meeting upon request by any member of the Nomination Committee.

7. An agenda and accompanying Board papers should be sent in full to all Directors in a timely manner and at least 3 days before the intended date of a meeting of the Nomination Committee (or other agreed period).

8. The Senior Management has an obligation to supply the Board and the Committee with adequate information, in a timely manner, to enable them to make informed decisions. The information supplied must be complete and reliable. Where any Director requires more information than is volunteered by the Senior Management, he/she should make further enquiries where necessary. The Board and individual Directors should have separate and independent access to the Senior Management.

9. The Company Secretary (or a representative appointed by the Company Secretary) shall be the secretary of the Nomination Committee.

Annual General Meeting

10. The Chairman shall attend the Company's annual general meeting and be prepared to respond to any Shareholders' questions on the Nomination Committee's activities.

11. If the Chairman 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 Shareholders' questions on the Committee's activities.

Authority

12. The Nomination Committee is authorised by the Board to discharge its duties within these Terms. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with all requests made by the Nomination Committee.

13. The Nomination Committee should be provided with sufficient resources to perform its duties.

14. The Nomination Committee is authorised by the Board to obtain external independent professional advisers at the expense of the Company and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The Nomination Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external consultant who advises the Nomination Committee.

Duties

15. The duties of the Nomination Committee shall include:

    (a) reviewing the structure, size and diversity (including the skills, knowledge and experience) of the Board at least annually, assisting the Board in maintaining a board skills matrix, and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(b) making 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;

(c) identifying individuals suitably qualified to become Directors and selecting or making recommendations to the Board on the selection of individuals nominated for directorship, with due regard for the benefits of diversity on the Board;

(d) assessing the independence of independent non-executive Directors;

(e) before appointments are made by the Board, evaluating the balance of skills, knowledge, experience and diversity on the Board, and, in light of this evaluation, preparing a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Nomination Committee shall (where applicable and appropriate):

  (i) use open advertising or the services of external advisers to facilitate the search;

  (ii) consider candidates from a wide range of backgrounds; and

  (iii) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;

(f) keeping under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;

(g) keeping up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;

(h) reviewing annually the time required from non-executive Directors. Performance evaluations should be used to assess whether the non-executive Directors are spending enough time in fulfilling their duties;

(i) ensuring that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings;

(j) conforming to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the Company's articles of association or imposed by legislation;

(k) developing the Board Diversity Policy, the Workforce Diversity Policy, Directors' nomination policy and disclosing the policy or a summary of the policy in the Corporate Governance Report;

(l) reviewing the implementation and effectiveness of the Board Diversity Policy, Workforce Diversity Policy and the Directors' nomination policy on an annual basis, and reviewing the measurable objectives that the Board has set for implementing the Board Diversity Policy and Workforce Diversity Policy and the progress on achieving such objectives;

(m) establishing and making recommendation to the Board, where appropriate, mechanism(s) to ensure independent views and input are available to the Board and disclosing such mechanism in the Corporate Governance Report, and reviewing the implementation and effectiveness of such mechanism on an annual basis;

(n) assessing each Director's time commitment and contribution to the Board, as well as Director's ability to discharge his or her responsibilities effectively;

(o) supporting the Company's regular evaluation of the Board's performance; and

(p) doing any such things to enable the Nomination Committee to discharge its powers and functions conferred to it by the Board.

16. The Committee shall also make recommendations to the Board concerning:

(a) the formulation of plans for succession for both executive and non-executive Directors;

(b) suitable candidates for the role of independent non-executive Directors;

(c) membership of the Company's audit and remuneration committees, in consultation with the chairmen of those committees;

(d) the re-appointment of any non-executive Director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in light of the knowledge, skills, experience and diversity required;

(e) the re-election by Shareholders of any Director under the "retirement by rotation" provisions in the Company's articles of association having due regard to their performance and ability to continue to contribute to the Board in light of the knowledge, skills, experience and diversity required;

(f) any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an executive Director as an employee of the company subject to the provisions of the law and their service contract;

(g) the adequacy of the corporate governance guidelines of the Company and to recommend any proposed changes to the Board for approval; and

(h) the appointment of any Director to executive or other office.

Reporting procedures

17. Full minutes of the Nomination Committee's meetings should be properly kept by a duly appointed secretary of the meeting (who should normally be the Company Secretary or his appointed delegate), and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director.

18. Minutes of meetings of the Nomination Committee shall record in sufficient detail the matters considered by the Nomination Committee and decisions reached, including any concerns raised by Directors, members of the Nomination Committee or dissenting views expressed. Draft and final versions of minutes should be sent to all members of the Nomination Committee for their comment and records respectively, within a reasonable time after such meetings are held.

19. Without prejudice to the generality of the duties of the Nomination Committee set out above, the Nomination 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 it to do so.

Provision of terms of reference

20. The Nomination Committee shall make available these Terms on request and by inclusion on the Stock Exchange's website and the Company's website, thereby explaining its role and the authority delegated to it by the Board.