

**CHINA LILANG LIMITED**

**Terms of reference of  
the Nomination Committee of the Board of Directors**

**CHINA LILANG LIMITED**

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**1. Constitution**

- 1.1 The Committee is established pursuant to a written resolution passed by the Board dated on 13 February 2012. 2012
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**2. Membership**

- 2.1 Members of the Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members and a majority of whom shall be independent non-executive directors.
- 2.2 The Chairman of the Committee shall be appointed by the Board which shall be the chairman of the Board or an independent non-executive director.
- 2.3 The company secretary of the Company shall be

2.4 The appointment of the members of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee. An appointment of Committee member shall be automatically revoked if such member ceases to be a member of the Board.

3. **Proceedings of the Committee** \_\_\_\_\_

3.1 *Notice:*

- (a) Unless otherwise agreed by all the Committee members, a meeting shall be called by at least 14  
Irrespective of the length of notice being given, attendance of a Committee member at a meeting constitutes a waiver of such notice unless the Committee member attending the meeting attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the meeting has not been properly convened.

(c) Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting. (c) (

(d) Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting. (d)

3.2 **Quorum:** The quorum of the Committee meeting shall be two members of the Committee and a majority of which shall be the independent non-executive directors.

3.3 **Frequency:** Meetings shall be held at least once a year.

**4. Written resolutions** \_\_\_\_\_

4.1 Written resolutions may be passed by all Committee members in writing.

**5. Alternate Committee members** \_\_\_\_\_

5.1 A Committee member may not appoint any alternate.

**6. Authority of the Committee** \_\_\_\_\_

6.1 The Committee may exercise the following powers:

(a) to seek any information it requires from any employee of the Company and its subsidiaries **Group** and any professional advisers in order to perform its duties, to require any of them to prepare and submit reports and to attend Committee meetings and to supply information and address the questions raised by the Committee; (a) (

(b) to review the performance of the Directors and the independence of independent non-executive Directors in relation to their appointment or reappointment as Directors; (b)

(c) legal or other independent professional advice on or assistance to any matters within these terms of reference, including the advice of independent human resource consultancy firm or other independent professionals, and to secure the attendance of outsiders with relevant experience and expertise at its meetings if it considers this necessary. The Committee shall have full authority to commission any search (including without limitation litigation, bankruptcy and credit searches), report, survey or open recruitment which it deems necessary to help it fulfill its duties and should be provided with sufficient resources to discharge its duties;

(d) to review annually these terms of reference and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary; and

(e) to exercise such powers as the Committee may consider necessary and expedient so that their duties under section 7 below

**7. Duties**

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7.1 The duties of the Committee shall be:

- (a) to review the structure, size and diversity (including but not limited to, gender, age, educational background, professional experience, skills and knowledge) of the Board at least annually and make recommendations on any proposed changes to corporate strategy; (a)
- (b) to identify individuals suitably qualified to become members of the Board and select or make recommendations to the board on the selection of individuals nominated for directorships, with due regards for the benefits of diversity on the Board; (b)
- (c) to assess the independence of the independent non-executive Directors; (c)
- (d) to make recommendations to the Board on: (d)
  - (i) the role, responsibilities, capabilities, skills, knowledge and experience required from members of the Board; (i)
  - (ii) the policy on the terms of employment of non-executive Directors; (ii)
  - (iii) the composition of the audit committee, remuneration committee and other board committees of the Company; (iii)
  - (iv) proposed changes to the structure, size and diversity of the Board; (iv)
  - (v) candidates suitably qualified to become members of the Board; (v)

- (vi) the selection of individuals nominated for directorship; (vi)
- (vii) the re-election by shareholders of the Company of any Directors who are to retire by rotation having regard to their performance and ability to continue to contribute to the Board; (vii)
- (viii) the continuation (or not) in service of any independent non-executive Director serving more than nine years and to provide recommendation to the shareholders of the Company as to how to vote in the resolution approving the re-election of such independent non-executive Director; (viii)
- (ix) the appointment or re-appointment of Directors; and (ix)
- (x) succession planning for Directors in particular the chairman and the chief executive ; (x) ( )
- (e) to give full consideration to the following in the discharge of its duties as mentioned above or elsewhere in these terms of reference: (e)
- (i) succession planning of Directors; (i)
- (ii) leadership needs of the Group with a view of maintaining or fostering the competitive edge of the Group over others; (ii)
- (iii) changes in market environment and commercial needs of the market in which the Group operates; (iii) ;
- (iv) the skills and expertise required, and diversity of the Board; and (iv)
- (v) the relevant requirements of the Listing Rules with regard to directors of a listed issuer; (v) ;

- (f) in respect of any proposed service contracts to be entered into by any members of the Group with its director or proposed director, which require the prior approval of the shareholders of the Company at general meeting under rule 13.68 of the Listing Rules, to review and provide recommendations to the shareholders of the Company (other than shareholders who are directors with a material interest in the relevant service contracts and their respective associates) as to whether the terms of the service contracts are fair and reasonable and whether such service contracts are in the interests of the Company and the shareholders as a whole, and to advise shareholders on how to vote;
- (g) to ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out what is expected of them in terms of time commitment, committee service and involvement outside meetings of the Board;
- (h) to conduct exit interviews with any Director upon their resignation in order to ascertain the reasons for his departure; and
- (i) to review the Board Diversity Policy, as appropriate; and review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and make disclosure of its review results in the Corporate Governance Report annually;
- (j) to consider other matters, as defined or assigned by the Board from time to time.

**8. Minutes and records**

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8.1 Full minutes of the meetings of the Committee and all written resolutions of the Committee should be kept by the secretary of the Committee.

8.2 The secretary of the Committee shall circulate the draft and final versions of minutes of the meeting of the Committee or, as the case may be, written resolutions of the Committee to all members of the Committee for their comment and records respectively within a reasonable time after the meeting or before the passing of the written resolutions.

8.3 The secretary of the Committee shall keep record

**11. Powers of the Board**

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11.1 The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including the Corporate Governance Code set out in Appendix 14 to the Listing Rules or if adopted by the Company, the

practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.

**12. Publication of the terms of reference of the Committee**

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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 website of the Company and on the website of the Stock Exchange of Hong Kong Limited.

30 August 2013

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