CHEUK NANG (HOLDINGS) LIMITED

卓能（ 集團）有限公司

（Incorporated in Hong Kong with limited liabilities）

（Stock Code：131）

TERMS OF REFERENCE OF NOMINATION COMMITTEE

(adopted on 27 February 2012 and revised on 25 September 2014)

1. Functions

The Nomination Committee is appointed by the Board of Directors to having regard to the independence and quality of nominees, make recommendations to the Board so as to ensure that all nominations are fair and transparent.

2. Authority

The Committee is authorised by the Board to:

1. make full use of intermediary agencies for identifying qualified director candidates at the Company’s expense; and
2. conduct interviews with prospective candidates for nomination.

3. Responsibilities

1. to review and monitor the structure, size and composition (including the skills, knowledge and experience) of the Board;
2. to identify and nominate qualified individuals for appointment as additional Directors or to fill Board vacancies as and when they arise. The criteria to be adopted by the Board in considering each individuals shall be their ability to contribute to the effective carrying out by the Board of its responsibilities;
3. to make recommendations to the Board on matters relating to the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive Officer;
4. to make recommendations to the Board with particular regard to ensuring a substantial majority of the Directors on the Board being independent of Management;
5. to assess the independence of Independent Non-executive Directors; and
6. to report back to the Board on decisions or recommendations made, unless there are legal or regulatory restrictions to do so.

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4. Meetings

1. The meetings and proceedings of the Committee are governed by the provisions contained in the Company's Articles of Association for regulating the meetings and proceedings of Directors. Two members present in person shall be a quorum for the Committee meetings until the Board has otherwise determined. All meetings of the Committee may be held by telephone.
2. The Company Secretary, or in her absence, her delegate, shall act as the secretary to the Nomination Committee and must ensure that full minutes are kept of all meetings.
3. Minutes of the Committee meetings shall be circulated to all members of the Committee and made available upon request to other members of the Board. A summary of the minutes shall submit to the Board.

5. **Authority**

5.1 The Nomination Committee is authorised by the Board where necessary to have access to professional advice.

5.2 The Nomination Committee shall be provided with sufficient resources to discharge its duties.