

# WO KEE HONG (HOLDINGS) LIMITED

## NOMINATION COMMITTEE

### Terms of Reference

Approved by the Board on March 28, 2012

#### 1. Constitution

The board of directors (the “**Board**”) of Wo Kee Hong (Holdings) Limited (the “**Company**”) has resolved to establish a committee to be known as the Nomination Committee (the “**Committee**”) on November 15, 2011 with the terms of reference set out below.

#### 2. Membership

- 2.1 The Committee shall be appointed by the Board which shall consist of not less than three members and the majority of whom should be independent non-executive directors<sup>1</sup>.
- 2.2 Appointments to the Committee shall be for a period of up to three years, which may be extended by the Board for further three year periods.
- 2.3 Only members of the Committee (including the Secretary) have the right to attend Committee meetings. However, other individuals such as the executive chairman, the chief executive, the head of human resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 2.4 Formal meetings of the Committee may be held by telephone or other communication equipment which allows those participating to hear and speak to each other, and the quorum in that event shall be any two Committee members so linked.
- 2.5 The Board shall appoint the chairman of the Committee (the “**Committee Chairman**”) who shall be an independent non-executive director or the chairman of the Board and determine the period for which he will hold that office. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves, who should be an independent non-executive director or the chairman of the Board, to chair the meeting.

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<sup>1</sup> Guidelines on independence of directors are set out in Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited

2.6 The initial members of the Committee shall be:

Dr. Richard Man Fai LEE (*Chairman*)

Mr. Tik Tung WONG

Mr. Boon Seng TAN

Mr. Ying Kwan CHEUNG

Mr. Peter Pi Tak YIN

### **3. The Secretary**

The company secretary of the Company, or his/her nominee, shall act as the secretary of the Committee (the “**Secretary**”).

### **4. Proceedings**

Unless varied by these terms of reference, meetings and proceedings of the Committee shall be governed by the Company's bye-laws regulating the meetings and proceedings of the directors of the Company.

### **5. Quorum**

The quorum for decisions of the Committee shall be any two independent non-executive directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

### **6. Frequency of Meetings**

Meetings of the Committee shall be held as and when appropriate, but at least once a year, held to coincide with key dates within the financial reporting and audit cycle. The Committee Chairman or any other Committee member may convene a meeting of the Committee whenever he or she considers it is necessary or desirable.

### **7. Notices of Meetings**

7.1 Meetings of the Committee shall be summoned by the Secretary at the request of any of its members.

7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of item(s) to be discussed, shall be forwarded to each Committee member and any other person required to attend, with reasonable notice, before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

### **8. Minutes of Meetings**

8.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

- 8.2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 8.3 Full minutes of meetings should be kept by the Secretary. Draft and final versions of minutes of the meetings should be sent to all Committee members for their comment and to all members of the Board for records respectively, in both cases within a reasonable time after the meeting.

## **9. Committee's Resolutions**

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 and may consist of several documents in like form each signed by one or more of the members of Committee. Such resolution may be signed and circulated by fax or e-mail. This provision is without prejudice to any requirement under the Listing Rules for a Board or Committee meeting to be held.

## **10. Annual General Meeting**

The Committee Chairman or in his/her absence, another Committee member or failing that his/her duly appointed delegate shall attend the annual general meeting of the Company so as to be available to answer questions from the shareholders of the Company on matters within the scope of duties of the Committee.

## **11. Duties**

The duties of the Committee shall be to

- 11.1 review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations to the Board on any proposed changes to the Board to complement the Company's corporate strategy;
- 11.2 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;
- 11.3 assess the independence of independent non-executive directors, having regard to the requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"); and
- 11.4 make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman of the Board and the chief executive of the Company.

## **12. Reporting Responsibilities**

- 12.1 The Committee Chairman shall report formally to the Board on its proceedings decisions and recommendations after each meeting on all matters within its duties and responsibilities unless there are legal or regulatory restrictions on the Committee's ability to do so.
- 12.2 The Committee shall make whatever recommendations to the Board that it deems appropriate on any area within its scope of duties where action or improvement is needed.
- 12.3 Where the Board proposes a resolution to elect an individual as an independent non-executive Director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe he/she should be elected and the reasons why they consider him/her to be independent.

## **13. Authority**

The Board authorises the Committee to

- 13.1 investigate any matter within its terms of reference and seek any information it requires from any employee in order to perform its duties (all employees being directed to co-operate with any such request by the Committee); and
- 13.2 obtain sufficient resources from the Company to enable it to perform its duties, including seeking independent legal or other professional advice (at the expense of the Company) on any matter within its terms of reference and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary to perform its responsibilities.

## **14. Other**

- 14.1 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 14.2 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 Stock Exchange's website and the Company's website.

*The Chinese version is for reference only. Should there be any discrepancies, the English version will prevail.*