



HERALD HOLDINGS LIMITED

興利集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 114)

Terms of Reference of the Nomination Committee

Please find the attached Terms of Reference of the Nomination Committee

1 Constitution, Authority and Membership

- 1.1 The Nomination Committee (the “Committee”) is a committee of the Board of Herald Holdings Limited (the “Company”) and as such is appointed by and reports to the Board of the Company.
- 1.2 The members of the Committee shall be appointed by the Board from time to time and shall consist of not less than three members, a majority of whom shall be independent non-executive directors. Subject to the normal periodic re-election of directors, members of the Committee shall generally hold tenure for a period of at least 3 years.
- 1.3 The Committee shall be chaired by the Chairman of the Board.
- 1.4 The Company’s Company Secretary (whom failing, a person nominated by the Chair of the Committee) shall be the secretary of the Committee and shall attend all of its meetings.
- 1.5 The Committee shall have access to sufficient resources to perform its duties. The Committee is authorized to seek legal or other independent professional advice in discharging its responsibilities as it considers necessary.

2 Attendance

- 2.1 A quorum shall be two members; meeting may be held in person or by other electronic means of communication.
- 2.2 All the Directors and external advisors may be invited to attend meetings of the Committee as and when appropriate.

3 Frequency of Meetings

- 3.1 The Committee shall meet as its business requires and as determined by its members. The Committee shall meet at least once a year.

4 Duties

- 4.1 The Committee shall 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.

- 4.2 The Committee shall identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships.
- 4.3 The Committee shall assess the independence of independent non-executive directors.
- 4.4 The Committee shall make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the managing director.
- 4.5 Where the Board proposes a resolution to elect an individual as an independent non-executive director at a general meeting, the Committee shall set out why it believes the individual should be elected and the reason why it considers the individual to be independent.
- 4.6 The Committee shall exercise such other powers, authorities and directions, and perform such other duties, of the Directors in relation to the nomination of directors as the Board may from time to time delegate to it, having regard to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

5 **Reporting Procedures**

- 5.1 Minutes of the Committee's meeting shall be kept by a duly appointed secretary of the meeting (who should normally be the Company Secretary), and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director.
- 5.2 Minutes of the Committee's meeting shall record in sufficient detail the matters considered by the Committee and decisions reached, including any concerns raised by Directors and members or dissenting views expressed.
- 5.3 Without prejudice to the generality of the duties of the Committee set out in these Terms, the 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 its ability to do so.

Adopted on 26 March 2012

**For identification only*