

**NGAI LIK INDUSTRIAL HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

(Stock Code: 332)

**(the “Company”)**

**TERMS OF REFERENCE  
OF  
NOMINATION COMMITTEE  
(the “Committee”)**

**Constitution**

1. The Board of the Company (the “**Board**”) resolved on 30 March 2012 to establish a committee of the Board to be known as the nomination committee. The Board has established these terms of reference (these “**Terms**”) in compliance with the Corporate Governance Code in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

**Membership**

2. The Committee shall be appointed by the Board and consist of a minimum of three members, the majority of which shall be independent non-executive directors. The Board may from time to time appoint additional members to the Committee from among the non-executive directors.

3. The chairman of the Committee shall either be the chairman of the Board (if he is a member of the Committee) or an independent non-executive director and shall be appointed by the Board.

4. The Company Secretary or his duly appointed nominee shall act as the Committee’s Secretary.

**Frequency and proceedings of meetings**

5. The quorum of a meeting shall be two members of the Committee. Other Board members, apart from the Committee members, have the duty to attend any Committee meetings if invited by the Committee, and they shall not be counted in the quorum.

6. The Committee shall meet at least once every year before the holding of an annual general meeting where appointment of directors will be considered. Additional meetings shall be held as the work of the Committee demands. In addition, the chairman of the Committee may convene additional meetings at his discretion.

7. Proceedings of meetings of the Committee shall be governed by the provisions of the bye-laws of the Company relating to directors proceedings (and such provisions shall be deemed to form part of these Terms).

8. The Committee is authorized by the Board to invite advisors to the meeting, including but not limited to external advisors or consultants to advise its members.

### **Duties, powers and functions**

9. The Committee shall –

- (a) review the structure, size and composition (including the skills, qualifications, 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;
- (b) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships. Sufficient biographical details of nominated candidates shall be provided to the Board and/or shareholders to enable them to make an informed decision;
- (c) make recommendations to the Board the appointment or re-appointment of directors of the Company and succession planning for directors of the Company in particular the chairman and the chief executive of the Company;
- (d) identify and nominate candidates to fill casual vacancies of directors for the Board's approval;
- (e) assess the independence of independent non-executive directors of the Company;
- (f) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- (g) conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation.

### **Reporting procedures**

10. The Committee shall report to the Board on a regular basis. At the next Board meeting following a meeting of the Committee, the Committee's Chairman shall report to the board on decisions or recommendations made.

### **Terms of Reference**

11. These Terms shall be reviewed on annual basis and as required.

12. These Terms will be posted on the websites of the Stock Exchange and the Company.

### **Note:**

*If there is any inconsistency between the English and Chinese versions of this document, the English version shall prevail.*