

**Daqing Dairy Holdings Limited**  
**大慶乳業控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1007)**  
**(the “Company”)**

**TERMS OF REFERENCE  
OF THE NOMINATION COMMITTEE  
ADOPTED BY THE BOARD ON 28 MARCH 2012**

**1 Membership**

- (a) The Nomination Committee (hereinafter referred to as the “**Committee**”) shall be appointed by the Board of Directors (the “**Board**”) and shall consist of a majority of Independent Non-Executive Directors (the “**INEDs**”) of the Company. The constitution of the Committee shall comply with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) from time to time.
- (b) The chairman of the Committee shall be the Chairman of the Board or an INED and a member of the Committee appointed by the Board.

**2 Attendance at Meeting**

- (a) The quorum of a meeting of the Committee shall be two members of the Committee, one of whom must be an INED.
- (b) At all times the Chairman of the Board shall be notified in advance of all meetings of the Committee.
- (c) The company secretary shall be the Secretary of the Committee who should attend all meetings of the Committee.
- (d) Members of the Committee may participate in a meeting of the Committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

**3 Frequency of Meetings**

Meetings of the Committee shall be held not less than once a year. The chairman of the Committee or any two members of the Committee may request a meeting if they consider that a meeting is necessary. Committee meetings shall be arranged by the secretary of the Committee upon instruction of the chairman of the Committee.

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

#### **5 Authorities**

- (a) The Committee is authorised by the Board to review, assess and make recommendations upon, any issue within these terms of reference.
- (b) The Committee is authorised by the Board, and at the reasonable expense of the Company, to obtain independent legal or other independent professional advice and to secure attendance of independent professional advisers with the relevant experience and expertise if it considers this necessary.
- (c) The role of the Committee should be explained in the Corporate Governance Report in the Annual Report of the Company.
- (d) The Committee is to be provided with sufficient resources to perform its duties.
- (e) Where the Board proposes a resolution to elect an individual as an Independent Non-Executive Director at the general meeting, the Committee should ensure it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe the individual should be elected and the reasons why they consider the individual to be independent.

#### **6 General Responsibilities**

- (a) The Committee shall ensure Board recruitment is according to the Company's agreed strategic priorities and uphold a boardroom which achieves the right balance between challenge and teamwork, and fresh input and thinking, while maintaining a cohesive Board.
- (b) The Committee shall fulfill other responsibilities as required by the Listing Rules from time to time.

#### **7 Duties**

The duties of the Committee shall include at least:

- (a) to 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;

- (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;
- (c) to assess the independence of Independent Non-Executive Directors;
- (d) to 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;
- (e) to do any such things to enable the Committee to perform its powers and functions conferred on it by the Board;
- (f) to 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 the Listing Rules or applicable law; and
- (g) to ensure the chairman of the Committee, or in the absence of the chairman, another member of the Committee or failing this his duly appointed delegate, to be available to answer questions at the annual general meeting of the Company.

## **8 Reporting procedures**

- (a) The Committee shall report to the Board. At the next meeting of the Board following a meeting/resolution in writing of the Committee, the chairman of the Committee shall report their decisions and recommendations of the Committee to the Board.
- (b) Full minutes/resolutions in writing of Committee meetings shall be kept by the Secretary of the Committee. Draft and final versions of minutes of Committee meetings shall be sent to all Committee members for their comment and records within a reasonable time after the meeting.
- (c) Copies of the minutes/resolutions in writing of Committee meetings shall be submitted to the Board at its meetings.

## **9 Availability and Update of the Terms of Reference**

- (a) This Terms of Reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements (e.g. the Listing Rules) in Hong Kong.
- (b) This Terms of Reference shall make available on the websites of the Company and The Stock Exchange of Hong Kong Limited.