

HANBO ENTERPRISES HOLDINGS LIMITED

恒實企業控股有限公司

(the "Company")

Nomination Committee

Terms of Reference

Adopted by the Board on 20 June 2014

1. CONSTITUTION

The board of directors of the Company (the "**Board**") hereby constitutes and establishes a nomination committee (the "**Nomination Committee**") with the authority, responsibility, and specific duties as described below.

2. MEMBERSHIP

2.1 The Nomination Committee shall be appointed by the Board from time to time and shall consist of a minimum of three members (the "**Members**"), a majority of which shall be independent non-executive directors of the Company who shall meet and maintain the independence requirements from time to time as stipulated in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") (as amended from time to time).

2.2 The chairman of the Nomination Committee shall be the chairman of the Board or an independent non-executive director of the Company (the "**Chairman**").

3. AUTHORITY

3.1 The Nomination Committee is authorised by the Board to:

- (a) determine the procedures, process and criteria to be adopted for purposes of selecting and recommending candidates for directorship; and
- (b) invite members of management to attend its meetings.

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

4. DUTIES

The duties of the Nomination Committee shall include the following aspects:

- (a) to review the structure, size, composition and diversity (including gender, age, cultural and educational background, ethnicity, 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 who are suitably qualified to become a member of the Board and to select or make recommendations to the Board on the selection of individuals nominated for directorships, with due regard for the benefits of diversity on the Board;

- (c) to review the policy concerning the diversity of members of the Board, as appropriate, the measurable objectives that the Board has set for implementing the such policy and the progress on achieving the objectives, and to make disclosure of its review results in the corporate governance report annually;
- (d) to assess the independence of independent non-executive directors of the Company;
- (e) to make recommendations to the Board on 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, taking into account the mix of skills, knowledge, experience and diversity need in the future; and
- (f) to ensure that where the Board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, the Board should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe he should be elected and the reasons why they consider him to be independent.

5. MEETINGS

- 5.1 The Nomination Committee shall meet at least once a year or more frequently if circumstances require.
- 5.2 Only Members are entitled to vote at the meeting of the Nomination Committee.
- 5.3 The Chairman (or in his or her absence, a Member designated by the Chairman) shall preside at all meetings of the Nomination Committee. The Chairman shall be responsible for leading the Nomination Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.

6. SECRETARY

The company secretary of the Company (the “**Company Secretary**”) shall be the secretary of the Nomination Committee.

7. QUORUM

A quorum of the Nomination Committee shall be two Members.

8. NOTICE OF MEETINGS

Notice of any meetings has to be given at least 14 days prior to any such meeting being held, unless all Members unanimously waive such notice. If a meeting is called by a shorter notice, it shall be deemed to have been duly called if it is so agreed by a majority of the Members. A Member who attends such a meeting shall deem to agree to the shorter notice. Notice of any adjourned meetings is not required if the adjournment is less than 14 days.

9. REPORTING PROCEDURES

9.1 Minutes of meetings of the Nomination Committee and the record of individual attendance at such meetings shall be prepared and kept by the Company Secretary, which shall be sent to all members of the Board as soon as practicable after the conclusion of any meeting of the Nomination Committee.

9.2 The Nomination Committee shall evaluate and assess the effectiveness of the Nomination Committee and the adequacy of these terms of reference on an annual basis and recommend any proposed changes to the Board.

10. RESOLUTIONS IN WRITING AND MEETINGS BY CONFERENCE CALLS

10.1 Resolutions of the Nomination Committee at any meetings shall be passed by a majority of votes of the Members present.

10.2 A resolution in writing signed by all Members shall be valid and effectual as if it has been passed at a meeting of the Nomination Committee duly convened and held.

10.3 Meetings could be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment provided that all persons participating in the meeting are capable of hearing each other.

11. PUBLICATION OF THESE TERMS OF REFERENCE

These terms of reference will be posted on the respective website of the Company and Hong Kong Exchanges and Clearing Limited.