

C Y FOUNDATION GROUP LIMITED

NOMINATION COMMITTEE

TERMS OF REFERENCE

(Adopted by the Board on 12 March 2012)

1. DEFINITIONS

“Board”	the board of Directors
“Company”	C Y Foundation Group Limited
“Director(s)”	the director(s) of the Company
“Executive Board”	the board of executive Directors
“INED(s)”	the independent non-executive Director(s)
“Nomination Committee”	the nomination committee of the Company
“Secretary”	the secretary of the Nomination Committee

2. CONSTITUTION

- 2.1 The Nomination Committee was established by the Board.
- 2.2 These terms of reference were proposed by the Executive Board and were adopted by the Nomination Committee.

3. MEMBERSHIP

- 3.1 The Nomination Committee shall comprise a minimum of 3 members. Majority of the Nomination Committee shall be INEDs. The members shall be appointed by the Executive Board without fixed term of office.
- 3.2 The Executive Board shall nominate one of the members of the Nomination Committee to be the chairman of the Nomination Committee.
- 3.3 In general, the company secretary of the Company should be the Secretary.

4. FREQUENCY AND PROCEEDINGS OF MEETINGS

- 4.1 Meetings shall be held at least once a year.
- 4.2 Additional meetings shall be arranged if the work of the Nomination Committee requires or if the chairman of the Nomination Committee considers necessary.

- 4.3 Each meeting of the Nomination Committee shall be attended, physically or by electronic means, by at least a member who is an INED.

5. FUNCTIONS AND DUTIES

The Nomination Committee shall:

- 5.1 determine the policy for nomination of Directors of the Company;
- 5.2 review the structure, size and composition (including the skills, knowledge and experience) of the Board annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- 5.3 identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- 5.4 assess the independence of INEDs;
- 5.5 make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive;
- 5.6 engage external professional advisors to assist and/or advise the Nomination Committee on its duties when necessary and reasonable, provided the arrangement is in line with the Company's guidelines for seeking independent professional advice (if any); and
- 5.7 consider any other matters that may be referred to the Nomination Committee by the Board.

6. REPORTING PROCEDURES

The Secretary shall arrange the records of the meetings of the Nomination Committee in the following manner:

- 6.1 draft minutes to be sent to all members of the Nomination Committee present in the meeting for comments within 10 business days from the date of the meeting;
- 6.2 a minimum of 3 business days shall be allowed for each member present in the relevant meeting to comment on the draft minutes; and
- 6.3 within the next 10 business days, the final version of the minutes shall be circulated to each presentee at the relevant meeting for signature and shall be delivered to each member of the Nomination Committee for record, and if desirable, to the relevant member(s) of the Board or the relevant management executives of the Group, for reference and/or follow up.