

C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

TERMS OF REFERENCE OF NOMINATION COMMITTEE

(Adopted on 12 March 2012 and amended on 21 March 2014 by the Board)

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1. DEFINITIONS

“Board”	means the board of Directors
“Company”	means C Y Foundation Group Limited
“Director(s)”	means the director(s) of the Company
“Group”	means the Company and its subsidiaries
“INED(s)”	means the independent non-executive Director(s)
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Member”	a member of the Nomination Committee
“Nomination Committee”	means the nomination committee of the Company
“Secretary”	means 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 Nomination Committee and adopted by the Board.

3. MEMBERSHIP

- 3.1 The Nomination Committee shall comprise a minimum of 3 Members. Majority of the Members shall be INEDs. The Members shall be appointed by the Board without fixed term of office.
- 3.2 The Members shall nominate one of the Members to be the chairman of the Nomination Committee who shall be an INED.

4. PROCEEDINGS OF MEETINGS

- 4.1 Meetings shall be held at least once a year.
- 4.2 A quorum shall be 2 Members, one of whom should be an INED.
- 4.3 Additional meetings shall be arranged if the work of the Nomination Committee requires or if the chairman of the Nomination Committee considers necessary.
- 4.4 Each meeting of the Nomination Committee shall be attended, physically or by electronic means.
- 4.5 Save for otherwise required by any applicable law, regulation or rules, in lieu of meetings, decisions by the Nomination Committee can be carried out by means of resolutions in writing circulated among and duly signed by all Members.
- 4.6 In general, the company secretary of the Company should be the Secretary.

5. ROLES AND RESOURCES

- 5.1 The Nomination Committee is authorized by the Board to perform any functions within its terms of reference.

5.2 The Nomination Committee is authorized by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary, provided that the arrangement is in line with the Company's guidelines for seeking independent professional advice (if any).

6. AUTHORITY, FUNCTIONS AND DUTIES

The Nomination Committee shall have the following authority, functions and duties:

- 6.1 to determine the policy for nomination of Directors of the Company including a policy concerning diversity of Board members by considering factors including but without limitation, gender, age, cultural and educational background or professional experience taking into account of the Company's business model and specific needs;
- 6.2 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;
- 6.3 to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- 6.4 to assess the independence of INEDs;
- 6.5 to 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;
- 6.6 to consider any other matters that may be referred to the Nomination Committee by the Board.

7. REPORTING TO THE BOARD

- 7.1 The Nomination Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

8. REPORTING PROCEDURES

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

- 8.1 draft minutes to be sent to all Members of the Nomination Committee present in the meeting for comments within a reasonable time (normally 10 business days after the meeting);
- 8.2 a reasonable time (normally a minimum of 3 business days) shall be allowed for each Member to comment on the draft minutes;
- 8.3 within a reasonable time (normally the next 10 business days), the final version of the minutes shall be circulated to each attendee at the relevant meeting for signature; and
- 8.4 within a reasonable time (normally within 3 business days after obtaining all signatures) the signed minutes shall be sent to each Member for record, if desirable, to the relevant member(s) of the Board and/or the relevant management executives of the Group, for reference and/or follow up.