

**KENFORD GROUP HOLDINGS LIMITED**  
**(the “Company”)**

Terms of Reference of the Nomination Committee  
(the “Committee”)

Adopted by the Board of Directors on 14 July 2005  
with revisions approved by the Board of Directors on 15 August 2011

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**Membership**

1. The Committee shall consist of four independent non-Executive Directors appointed by the board of directors (the “Board”) from time to time.
2. The Board shall nominate one of the four members as the Chairman of the Committee.
3. The Company Secretary or a nominee shall act as the Secretary of the Committee.

**Frequency and proceedings of meetings**

4. The Committee shall meet before the holding of an annual meeting where appointment of directors will be considered. Additional meetings shall be held as the work of the Committee demands.
5. In addition, the chairman of the Committee may convene additional meetings at his discretion.
6. The quorum of a meeting shall be two members of the Committee.
7. Proceedings of meetings of the Committee shall be governed by the provisions of Article 62 of the Articles of Association of the Company.

**Duties, powers and functions**

8. The Committee shall
  - (a) formulate nomination policy for consideration of the Board and implement the nomination policy laid down by the Board;
  - (b) without prejudice to the generality of the foregoing:
    - (i) consider the selection criteria of the Directors, and develop procedures for the sourcing and selection of suitable members of the Board to be elected by shareholders;
    - (ii) identify and nominate candidates to the Board for it to make recommendations to shareholders on the appointment or re-appointment of Directors. Sufficient biographical details of nominated candidates shall be provided to the Board and shareholders to enable them to make an informed decision;
    - (iii) identify and nominate candidates to fill casual vacancies of Directors for the Board's approval;
    - (iv) review Board membership on a regular basis, considering *inter alia* the length of service, the breadth of expertise of the Board as a whole, and make recommendations to the Board regarding any proposed changes;

- (v) assess the independence of independent non-executive directors;
- (vi) make recommendations to the Board on relevant matters relating to the succession planning for the Chairman and the Chief Executive;
- (viii) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- (ix) 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**

9. The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report the findings and recommendations of the Committee to the Board.

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#### Notes:

- (1) Pursuant to Article 86(3) of the Articles of Association of the Company, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.
- (2) Pursuant to Article 87(1) of the Articles of Association of the Company, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation PROVIDED THAT every Director shall retire at least once in every three years.
- (3) Pursuant to Appendix 3-4(4) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), the minimum length of the period, during which notice to the issuer of the intention to propose a person for election as a director and during which notice to the issuer by such person of his willingness to be elected may be given, will be at least 7 days.
- (4) Pursuant to Appendix 3-4(5) of the Listing Rules, the period for lodgment of the notices referred to in Appendix 3-4(4) of the Listing Rules will commence no earlier than the day after the dispatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting.
- (5) Pursuant to Rule 13.70 of the Listing Rules, The issuer shall publish an announcement in accordance with rule 2.07C or issue a supplementary circular upon receipt of a notice from a shareholder to propose a person for election as a director at the general meeting where such notice is received by the issuer after publication of the notice of meeting. The issuer shall include particulars of the proposed director in the announcement or supplementary circular.

*(Note: The issuer must assess whether or not it is necessary to adjourn the meeting of the election to give shareholders at least 10 business days to consider the relevant information disclosed in the announcement or supplementary circular)*