



**Heng Xin China Holdings Limited**  
**恒芯中國控股有限公司\***  
*(Incorporated in Bermuda with limited liability)*  
(Stock Code: 8046)

**Terms of Reference for The Nomination Committee**

(Approved by the Board on 12 April 2005 and last reviewed on 6 September 2013)

**1. Membership**

- 1.1 Members of the Nomination Committee (“Committee”) shall be appointed by the board of directors (the “Board”) of Heng Xin China Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) and shall be made up of at least 3 members, the majority of whom should be independent non-executive directors.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the head of human resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.3 The Board shall appoint the Chairman of the Committee who should be either the Chairman of the Board or an independent non-executive director. In the absence of the Chairman of the Committee and/or an appointed deputy, the remaining members present shall elect one of their members to chair the meeting. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.
- 1.4 The Board may, from time to time, at their discretion, amend the terms of reference or adopt new terms of reference or change the composition of the members of the Committee.

**2. Secretary**

- 2.1 The Company Secretary or their nominee shall act as the secretary of the Committee.

### **3. Quorum**

- 3.1 The quorum necessary for the transaction of business shall be any two members, both of whom must be independent non-executive directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

### **4. Frequency and Proceedings of Meetings**

- 4.1 The Committee shall be meet at least once a year and at such other times as the Chairman of the Committee shall require.
- 4.2 Meeting could be held in person, by telephone or by video conference. Members of the Committee may participate in a meeting by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other.
- 4.3 Without prejudice to any requirement under the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited or the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as the case may be), 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 duly convened and held.

### **5. Notice of Meetings**

- 5.1 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of the Chairman of the Committee.
- 5.2 Unless otherwise agreed, notices of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, at least 1 working day before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

### **6. Minutes of Meetings**

- 6.1 The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

6.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chairman of the Board and, once agreed, to all other members of the Board, unless a conflict of interest exists.

## **7. Annual General Meeting**

7.1 The Chairman of the Committee shall endeavor to attend the Annual General Meetings of the Company and be prepared to respond to any shareholder questions on the Committee's activities.

7.2 If the Chairman of the Committee is unable to attend an Annual General Meeting of the Company, he shall arrange for another member of the Committee, or failing this, his duly appointed delegate, to attend in his place. Such person shall be prepared to respond to any shareholder questions on the Committee's activities.

## **8. Duties**

8.1 The Committee shall:

8.1.1 review the structure, size and composition and diversity (including but not limited to skills, experience and background, geographical and industry experience, ethnicity, gender, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

8.1.2 identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships based on merit against objective criteria and with due regard for the benefits of diversity on the Board. Sufficient biographical details of nominated candidates shall be provided to the Board to enable them to make informed decisions;

8.1.3 identify and nominate candidates to fill casual vacancies (as and when they arise) for the approval of the Board;

8.1.4 assess the independence of independent non-executive directors;

8.1.5 make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors in particular the Chairman of the Board and the Chief Executive Officer; and

8.1.6 review the Board Diversity Policy, as appropriate and make recommendations on any required changes for the Board's consideration and approval; review the measurable objectives that the Board has set for implementing the Board Diversity Policy; monitor the progress on achieving the objectives; and make the relevant disclosure in the Corporate Governance Report annually.

8.2 The Committee shall also make recommendations to the Board concerning:

8.2.1 membership of the Audit and Remuneration Committees, in consultation with the Chairman of those committees;

8.2.2 the continuation (or not) in service of any director who has reached the age of 70; and

8.2.3 the appointment of any director to executive or other office other than to the position of Chairman and Chief Executive Officer, the recommendation for which would be considered at a meeting of the full Board.

## **9. Reporting Responsibilities**

9.1 The Chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its result where action or improvement is needed.

9.3 The Committee shall make a statement in the annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.

## **10. Other**

10.1 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **11. Authority**

11.1 The Committee is authorized to seek any information it requires from any employee of the company in order to perform its duties.

11.2 The Committee is authorized to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

11.3 The Committee is to be provided with sufficient resources to discharge its duties.

*Note:* If there is any inconsistency between the English and Chinese versions of this Terms of Reference, the English version shall prevail.

*\* For identification purposes only*