



## AUSNUTRIA DAIRY CORPORATION LTD

### 澳優乳業股份有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock code: 1717)

("Company")

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#### TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

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**ADOPTED BY THE BOARD ON 19 SEPTEMBER 2009  
AND AMENDED BY THE BOARD ON 28 MARCH 2012**

#### 1. Membership

Code  
Provision

- (a) The Nomination Committee ("Committee") shall be appointed by the board of directors of the Company ("Board"). The Committee shall consist of not less than four members, a majority of whom should be independent non-executive directors of the Company ("INEDs"). The constitution of the Committee shall comply with the requirements of the Rules ("Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") from time to time.
- (b) The chairman of the Committee shall be the chairman of the Board ("Chairman") or an INED who is also a member of the Committee.

A.5.1

#### 2. Attendance at Meetings

- (a) Unless otherwise stated herein, the meetings of the Committee are governed by the provisions contained in the Company's articles of association for regulating the meetings and proceedings of directors.
- (b) The quorum for a meeting of the Committee shall be two members, both of whom must be INEDs.
- (c) The Chairman may attend meetings of the Committee.

- (d) The Committee may, where appropriate, invite external advisers and/or members of the management of the Company to attend the meeting to advise its members.
- (e) The company secretary shall be the secretary of the Committee who should attend all meetings of the Committee.
- (f) Members of the Committee may participate in a meeting of the Committee by means of telephone conference or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

### **3. Frequency of Meetings**

Meetings shall be held not less than once a year. Any member of the Committee may request a meeting if he/they consider(s) that one is necessary and upon the receipt of such request, the secretary of the Committee shall convene a meeting as soon as reasonably practicable and having regard to the convenience of all members with priority given to the INEDs.

### **4. Committee's Resolutions**

A resolution in writing signed by all members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more of the members of Committee. Such resolution may be signed and circulated by fax or other electronic communications. This provision is without prejudice to any requirement under the Listing Rules for a Board or Committee meeting to be held.

### **5. Authorities**

- (a) The Committee is authorised by the Board to review, assess and make recommendations upon any issue within its terms of reference. It is authorised to seek any information it requires from any employee or executive director and such persons are directed to co-operate with any request made by the Committee.
- (b) The Committee is authorised by the Board, and at the reasonable expense of the Company, 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.
- (c) The Company should provide the Committee sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

A.5.4

## 6. Purpose and General Responsibilities

The purpose of the establishment of the Committee is to ensure the presence of a formal and transparent procedure for the appointment of new directors to the Board.

## 7. Duties

The duties of the Committee shall be:

- (a) 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; A.5.2(a)
- (b) identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of, individuals nominated for directorships; A.5.2(b)
- (c) assess the independence of the INEDs; A.5.2(c)
- (d) make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the Chairman and chief executive of the Company; and A. 5.2(d)
- (e) to 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 the Listing Rules or applicable law.

## 8. Reporting Procedures

- (a) The Committee shall report to the Board. 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. D.2.2
- (b) The Committee's recommendations on nomination will be placed before the Board in the form of a Board paper circulated in advance of Board meetings through the company secretary.
- (c) Such recommendations will be supported by the resume in respect of the individuals concerned.

## **9. Availability and update of the terms of reference**

These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements (e.g. the Listing Rules) in Hong Kong. These terms of reference shall be made available to the public by including the information on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and Company's website at [www.ausnutria.com.hk](http://www.ausnutria.com.hk).

A.5.3

*The Chinese version of this document is for reference only. In case of any discrepancy between the Chinese and the English version, the English version shall prevail.*