



**有利集團有限公司\***  
**Yau Lee Holdings Limited**  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 0406)

**TERMS OF REFERENCE FOR NOMINATION COMMITTEE**

**A. Purpose**

1. The Nomination Committee (the “Committee”) is established as a committee of the Board. It is responsible for making recommendations to the Board on the appointment of directors.

**B. Membership**

2. The Committee shall be appointed by the Board and shall consist of not less than three members. The majority of the members of the Committee should be independent non-executive directors.
3. Appointment to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods provided that the majority of the Committee members remain independent.
4. The Chairman of the Committee shall be appointed by the Board and should be independent non-executive director.
5. The Company Secretary shall be the secretary of the Committee.

**C. Meetings**

6. The Nomination Committee shall meet at least once annually. The Committee shall meet before the holding of an annual general meeting where appointment of directors will be considered. Additional meetings shall be held as circumstances require.
7. Notice of each meeting together with the agenda of items to be discussed shall be forwarded to each member of the Committee, and any other person required to attend the meeting, no later than 3 working days before the date of the meeting.
8. The Committee have the right to involve members of management or others such as

the chief executive officer, the head of human resources and external advisers who may be invited to attend any meeting, as and when appropriate.

9. All Committee meetings shall be chaired by the Chairman of the Committee. In the event of his absence, he may assign another member to chair the meeting on his behalf.
10. The quorum of the Committee's meeting shall be two members of the Committee.

#### **D. Duties, Powers and Functions**

11. The Nomination Committee is authorized by the Board to:
  - (a) determine the procedures, process and criteria to be adopted for purpose of selecting and recommending candidates for directorship;
  - (b) make full use of intermediaries, agencies for identify qualified director candidates on the Company's expenses; and
  - (c) conduct interview with prospective candidates for nomination.
12. The Committee shall:
  - (a) formulate nomination policy for consideration by the Board and implement the nomination policy laid down by the Board;
  - (b) review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the board regarding any proposed changes;
  - (c) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;
  - (d) assess the independence of independent non-executive directors; and
  - (e) make recommendations to the Board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors.

#### **E. Reporting Procedures**

13. The Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
14. Minutes of meetings of the Nomination Committee and the records of attendance shall be prepared by the Company Secretary which shall be sent to all members of the Board as soon as practicable after the conclusion of any meetings of the Nomination Committee.

\* For identification purpose only