



PACIFIC PLYWOOD HOLDINGS LIMITED

太平洋實業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 767)

TERMS OF REFERENCE OF NOMINATION COMMITTEE

Adoption Date: 13 February 2012

1. CONSTITUTION

The board of directors (the “**Board**”) of Pacific Plywood Holdings Limited (the “**Company**”) has established a committee known as the nomination committee (the “**Nomination Committee**”).

2. MEMBERSHIP

The members of the Nomination Committee shall be appointed by the Board from time to time and shall consist of not less than three (3) members. A majority of the members of the Nomination Committee should be independent non-executive directors.

Member shall immediately (and automatically) cease to be a member of the Nomination Committee if he or she shall cease to hold the office of director for any cause.

Unless otherwise determined, quorum for a meeting of the Nomination Committee shall be two (2) members.

3. CHAIRMAN

The chairman of the Nomination Committee shall be appointed by the Board and should be the chairman of the Board or an independent non-executive director, provided that if he or she is not in attendance at any meeting of the Nomination Committee, the members in attendance may appoint a chairman for that meeting.

4. ATTENDANCE AT MEETINGS

The chairman of the Board, chief executive officer and / or chief financial officer, if requested, shall attend meetings of the Nomination Committee. Other Board members shall have the right of attendance.

5. SECRETARY

The company secretary of the Company or his/her delegate or such other person appointed by the chairman of the Nomination Committee shall act as the secretary at any meeting of the Nomination Committee.

6. NOTICE

Notice of the time and place of each meeting of the Nomination Committee must be given to each member before the time when the meeting is to be held.

7. VOTING

At all meetings of the Nomination Committee, any question shall be decided by a simple majority of votes cast by members of the Nomination Committee attending the meeting and voting on the question.

8. RESOLUTION IN WRITING

Except as required by laws, a resolution signed by all of the members of the Nomination Committee is as valid as if it had been passed at a meeting of the Nomination Committee.

9. FORM OF MEETING

Any member of the Nomination Committee may participate in a meeting of the Nomination Committee by means of such telephonic, electronic or other communication facilities that permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.

10. MEETINGS

The Nomination Committee shall meet *at least once a year* or at such other times as the chairman of the Nomination Committee shall require.

11. AUTHORITY

The Nomination Committee is authorized by the Board to obtain sufficient resources to enable the Nomination Committee to perform its functions, including the resources for seeking independent professional advice.

12. DUTIES

The duties of the Nomination Committee include:-

- (a) to review the structure, size and composition (including the skills, knowledge, experience and length of service) of the Board at least annually; and make recommendations on any proposed changes to the Board to implement the Company's corporate strategy;

- (b) to consider the skills mix needed in respect of directors and make recommendations to the Board;
- (c) to identify and nominate candidates to fill casual vacancies of directors for the Board's approval. Academic and professional qualifications, business experience, expertise and knowledge as well as other requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited will be assessed to determine if the nomination is suitable;
- (d) to assess the independence of Independent Non-executive Directors and review the Independent Non-executive Directors' annual confirmations on their independence; and make disclosure of its review results in the Corporate Governance Report;
- (e) to regularly review the time required from a director to perform his responsibilities;
- (f) to 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;
- (g) to do any such things to enable the Nomination Committee to discharge its powers and functions conferred on it by the Board; and
- (h) to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Company's constitution or imposed by legislation.

13. REPORTING PROCEDURES

At the next Board meeting following a Nomination Committee's meeting, the chairman of the Nomination Committee should report the Nomination Committee's findings and recommendations to the Board, unless there are legal or regulatory restrictions on their ability to do so.

14. 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 in Hong Kong.

** for identification purpose only*