



TYSAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 687)

NOMINATION COMMITTEE – TERMS OF REFERENCE

1. Constitution

The board of directors (individually, a “**Director**”, and collectively, the “**Directors**”) of Tysan Holdings Limited (the “**Board**” and the “**Company**” respectively) resolved to establish a committee of the Board known as the Nomination Committee (the “**Committee**”) on 28 March 2012. The Board provided the Committee with written terms of reference and those terms set out below (the “**Terms**”) reflect the most recent updates adopted on 30 June 2014.

2. Membership

2.1 The Committee shall consist of at least 3 members and the majority of which shall be independent non-executive Directors. The members of the Committee (individually, a “**Member**”, and collectively, the “**Members**”) shall be appointed by the Board.

2.2 The chairman of the Committee (“**Chairman**”) shall be the chairman of the Board or an independent non-executive Director and shall be appointed by the Board.

2.3 The Human Resources Director of the Company or his/her nominee shall be the

secretary of the Committee (the “**Secretary**”).

2.4 Subject to Clauses 2.1 and 2.2 above, if a Member is unable to act as such due to absence, illness or any other cause, the Chairman may appoint another Director or serve as an alternate Member for the Member concerned.

2.5 Formal meetings of the Committee (individually, a “**Meeting**”, and collectively, the “**Meetings**”) may be held by telephone or other communication equipment which allows those participating to hear and speak to each other, and the quorum in that event shall be any two Members (one of which should be an independent non-executive Director) so linked as governed by the Company’s Bye-laws (the “**Bye-laws**”).

3. Attendance at Meetings

The Committee may invite any other members of the Board, senior management of the Company (the “**Senior Management**”) and/or external advisers to attend any Meeting(s) as it may from time to time consider appropriate to assist the Committee to perform its duties.

4. Proceedings

Proceedings of Meetings shall be governed by the provisions of the Bye-laws.

5. Quorum

The quorum necessary for the Meetings shall be two Members and one of which should be an independent non-executive Director. A duly convened Meeting at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Committee.

6. Frequency of Meetings

The Committee shall meet at least once a year and it may meet at such times and frequency as it considers appropriate.

7. Notice of Meetings

7.1 Meetings shall be convened by the Secretary at the request of any of its Members.

7.2 Unless otherwise agreed, notice of each Meeting confirming the venue, time and date together with an agenda of items to be discussed, and the relevant papers and materials for the Meeting concerned shall be circulated to all Members and any other person required to attend, with reasonable notice, before the date of the Meeting. Supporting papers and relevant materials shall be in a form and quality as will enable the Members to make an informed decision on the matters placed before them.

8. Authority

8.1 The Committee should be provided with sufficient resources to perform its duties.

8.2 The Committee is authorised by the Board:-

- (a) to investigate any matter within its Terms and seek any information it requires from any employee and/or prospective candidates for nomination in order to perform its duties and all employees are directed to co-operate with any such request by the Committee; and

- (b) to obtain, at the Company's expenses, outside independent legal or other professional advice on any matter within its Terms and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary to perform its responsibilities.

9. Minutes of Meetings

- 9.1 The Secretary shall cause minutes to be made of all proceedings and resolutions of the Committee including recording the names of those present and in attendance at the Meetings.
- 9.2 The Secretary shall ascertain, at the beginning of each Meeting, the existence of any conflicts of interest and minute them accordingly.
- 9.3 Minutes of the Meetings shall record in sufficient detail the matters considered by the Members and decisions reached, including any concerns raised by any of the Members and any dissenting views expressed.
- 9.4 Full minutes of Meetings should be kept by the Secretary. Draft and final versions of minutes of the Meetings should be sent to all Members for their comment and records within a reasonable time after the Meeting.

10. Annual General Meeting

The Chairman or in his/her absence, another Member or, failing that, his/her duty appointed delegate, shall attend the annual general meeting of the Company so as to be available to answer questions from shareholders on matters within the scope of duties of the Committee.

11. Duties

The duties of the Committee shall include the following:-

- (a) to review the structure, size and composition (including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, 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;
- (b) to 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;
- (c) to assess the independence of independent non-executive Directors, having regard to the requirements under the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**");
- (d) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman of the Board and the Managing Director of the Company;
- (e) to develop and maintain the Board diversity policy, as appropriate, and review and monitor the effectiveness of the Board diversity policy;
- (f) to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- (g) 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, having regard to the requirements of Listing Rules.

12. Reporting procedures

- 12.1 The Committee shall report to the Board on its decisions or recommendations after each Meeting on all matters within its duties and responsibilities unless there are legal or regulatory restrictions on the Committee's ability to do so (such as a restriction on disclosure due to regulatory requirements).
- 12.2 The Committee shall make recommendations to the Board that it deems appropriate on any area within its scope of duties where action or improvement is needed.
- 12.3 Where the Board proposes a resolution to elect an individual as an independent non-executive Director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe he/she should be elected and the reasons why they consider him/her to be independent.

13. Further amendments and availability of the Terms

- 13.1 The Committee shall, from time to time, review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 13.2 The Terms may be reviewed by the Board from time to time taking into consideration the operations of the Committee, its contribution to the corporate governance of the Company, as well as any amendments to the Listing Rules from time to time.

13.3 The Committee shall make available these Terms by including them on the respective websites of the Stock Exchange and of the Company.

Updated on 30 June, 2014

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