



LUNG CHEONG INTERNATIONAL HOLDINGS LIMITED

龍昌國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 348)

**NOMINATION COMMITTEE
TERMS OF REFERENCE**

Adoption Date: 11 May 2006
Revised Date: 20 February 2012

1. Membership and Quorum

- 1.1. The Nomination Committee (the “Committee”) shall be appointed by the board of directors (the “Board”) of Lung Cheong International Holdings Limited (the “Company”) from amongst the directors of the Company and shall consist of not less than three members, a majority of whom shall be independent non-executive directors of the Company. A quorum shall be two members.
- 1.2. The chairman of the Committee shall be appointed by the Board and should be either be the chairman of the Board or an independent non-executive director of the Company.

2. Secretary

- 2.1. The company secretary of the Company or his/her nominee shall be the secretary of the Committee (the “Secretary”).

3. Meeting

- 3.1. The Committee shall meet as and when necessary or as requested by any Committee member. The Committee shall meet at least once a year.
- 3.2. An agenda and accompanying papers shall be sent in full to all members of the Committee in a timely manner and at least 3 days before the intended date of the meeting of the Committee (or such other period as agreed by its members).
- 3.3. The meetings and proceedings of the Committee are governed by the provisions of the Articles of Association of the Company for regulating the meetings and proceedings of the Board so far as the same are applicable.

4. Reporting Procedures

- 4.1. The Secretary shall keep full minutes of each Committee meeting. Draft and final versions of minutes of the meetings shall be sent to all members of the Committee for their comments and records respectively, and within a reasonable time from such meeting.
- 4.2. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.
- 4.3. The Committee should report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report to the Board on the findings and recommendations of the Committee.

5. Consultation

- 5.1. The Committee shall consult the Board about its proposal relating to the selection of individuals nominated for directorship and at the expenses of the Company and its subsidiaries (the “Group”), have access to independent professional advice to perform its responsibilities where it considers necessary.

6. Authority

- 6.1. The authority of the Committee is derived from the Board, therefore the Committee is obliged to report to the Board on its decisions or recommendations.
- 6.2. The Committee is authorized by the Board to investigate any activity within the scope of these terms of reference and the Group should provide the Committee with sufficient resources to perform its duties. It is authorized to seek any information it requires from any employee of the Group and members of the Board in order to perform its duties and all employees of the Group and members of the Board are directed to co-operate with any request made by the Committee within the scope of these terms of reference.

7. Duties, powers and functions

- 7.1. to formulate nomination policy for the Board’s consideration and implement the Board’s approved nomination policy;
- 7.2. to 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 Group’s corporate strategy;
- 7.3. 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;

- 7.4. to receive nominations from shareholders or directors when such are tendered and to make recommendations to the Board on the candidacy of the nominees, having regard to the Board's compositional requirements and suitability of the nominees;
- 7.5. to assess the independence of independent non-executive directors and review the independent non-executive directors' confirmations on their independence; and make disclosure of its review results in the corporate governance report. 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 should be elected and the reasons why they consider him to be independent;
- 7.6. 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 chief executive of the Group; and
- 7.7. To consider other topics as defined by the Board.

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*