



VALUE CONVERGENCE HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

Website: <http://www.vcgroup.com.hk>

(Stock Code: 821)

TERMS OF REFERENCE OF NOMINATION COMMITTEE

1. Constitution

1.1 The board (the “**Board**”) of directors (the “**Director(s)**”) of Value Convergence Holdings Limited (the “**Company**”) has established a Committee of the Board known as the Nomination Committee pursuant to the provisions of the Articles of Association of the Company.

2. Membership

2.1 The Nomination Committee is composed of a minimum of three Directors, a majority of whom shall be Independent Non-executive Directors. The Nomination Committee must be chaired by the Chairman of the Board or an Independent Non-executive Director.

2.2 Members of the Nomination Committee (the “**NC Member(s)**”) may only be appointed and removed by the Board.

2.3 The Chairman of the Nomination Committee shall be appointed and removed by a decision of the Board.

3. Quorum

3.1 Unless otherwise agreed by all the NC Members, two NC Members shall be a quorum.

4. Meetings

4.1 The Nomination Committee shall meet at least once a year. Additional meetings shall be held as the work of the Nomination Committee demands.

- 4.2 The NC Members may participate in any meeting of the Nomination Committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing and speaking to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote.
- 4.3 Resolutions of the Nomination Committee at any meetings shall be passed by a majority of votes of the NC Members present.
- 4.4 A resolution in writing signed by all the NC Members shall be as valid and effectual as if it had been passed at a meeting of the Nomination Committee duly convened and held.
- 4.5 Only NC Members are entitled to vote at the meeting.
- 4.6 All meetings and proceedings of the Nomination Committee shall be governed by the provisions of the Articles of Association of the Company regulating proceedings of meetings of the Board unless otherwise provided herein.
- 4.7 Full minutes shall be kept by the company secretary of the Company. Draft and final versions of minutes of the meetings shall be circulated to all NC Members for their comments and records, within a reasonable time after meeting.

5. Authority

- 5.1 The Nomination Committee shall report directly to the Board.
- 5.2 In connection with its duties, the Nomination Committee is authorized to obtain advice from any person, including professional consultants, whom it regards as competent to give such advice.
- 5.3 The Nomination Committee will be provided with sufficient resources to discharge its duties.

6. Duties and Powers

The Nomination Committee is established with the following duties and powers:

- 6.1 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 its corporate strategy;

- 6.2 identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorship; and
- 6.3 assess the independence of independent non-executive directors;
- 6.4 make recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive Officer;
- 6.5 review the Board Diversity Policy, as appropriate;
- 6.6 to exercise such other powers, authorities and discretions, and perform such other duties, of the Directors in relation to the nomination or directors as the Board may from time to time delegate to it, having regard to the Corporate Governance Code (the “**Code**”) of the Rules of Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”); and
- 6.7 in exercising its power, authorities and discretions and performing its duties, the Nomination Committee shall take full account of the Code and the Listing Rules.

7. Annual General Meeting

- 7.1 The Chairman of Nomination Committee or in his/her absence, another NC Member (who must be an independent non-executive Director) of the Nomination Committee, shall attend the Company’s Annual General Meeting and be prepared to respond to shareholders’ questions on the Nomination Committee activities and their responsibilities.

(Updated in December 2015)