

Shenzhen Pagoda Industrial (Group) Corporation Limited

(Stock code: 2411)

Terms of Reference of the Nomination Committee of the Board of the Company

Chapter 1 General Provisions

Article 1 In order to regulate the selection and appointment of directors and senior management members of Shenzhen Pagoda Industrial (Group) Corporation Limited (the “**Company**”), the Nomination Committee is established and these terms of reference are formulated in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, the Articles of Association of the Company (the “**Articles of Association**”) and other relevant applicable laws, regulations and regulatory documents.

Article 2 The Nomination Committee is a special body set up by the Board in accordance with the Articles of Association, and is primarily responsible for formulating procedures and standards for the selection and appointment of directors and senior management members, conducting preliminary review on the qualifications and conditions of candidates, and making recommendations to the Board.

Chapter 2 Composition

Article 3 The Nomination Committee shall consist of at least three (inclusive) directors, the majority of whom shall be independent non-executive directors of the Company.

Article 4 The Nomination Committee shall have one chairman (convener), who shall be a member of the Nomination Committee and appointed by the Board, and the chairman shall be either the chairman of the Board or an independent non-executive director, who shall be responsible for presiding over the work of the Nomination Committee. The secretary of the Nomination Committee shall be the Company’s secretary or any person designated by the Nomination Committee from time to time.

Article 5 The term of office of the Nomination Committee shall be the same as that of the Board. Members of the Nomination Committee may be re-elected upon expiry of their term of office. If any member ceases to be a director of the Company prior to expiry of his/her term of office, he/she shall automatically be disqualified for acting as a member of the Nomination Committee and the Board shall fill the consequential vacancy in accordance with Article 3 to Article 4 above.

Chapter 3 Duties and Authorities

Article 6 The main duties and authorities of the Nomination Committee are as follows:

- (1) 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 Company's corporate strategy;
- (2) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (3) to assess the independence of independent non-executive Directors;
- (4) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive (if any);
- (5) to review the candidates to be elected and approved by the general meeting and the Board and make recommendations to the Board; and
- (6) other matters as authorized by the Board.

Where necessary, the Nomination Committee shall be authorized to obtain outside legal or other independent professional advice at the Company's expense.

The following candidates are subject to review and recommendation by the Nomination Committee on the basis of decision of the Board:

- (1) members of the Board and members of the special body of the Board;
- (2) the general manager and deputy general manager of the Company; and
- (3) the secretary of the Board, the chief financial officer and other senior management member(s) identified by the Board.

Chapter 4 Rules of Procedure

Article 7 The Nomination Committee shall convene a meeting at least once a year. A notice shall be given to all members three days before the date of the meeting. The meeting shall be convened and presided over by the chairman. If the chairman is unable or fails to perform his/her duties, he/she may appoint another member (who shall be an independent non-executive director) to perform his/her duties on his/her behalf. Where an urgent meeting has to be convened, a notice of meeting may be given in writing, by telephone, by communication or by other means.

Article 8 A meeting of the Nomination Committee shall be held only if more than half of the members are present. Each member shall have one vote. A resolution of the meeting shall be approved by more than half of all the members of the Nomination Committee.

Article 9 Members of the Nomination Committee shall express clear opinions on the matters considered at the meeting. If a member is unable to attend a meeting of the Nomination Committee in person, he/she is entitled to delegate another member in writing to vote on his/her behalf.

The proxy form shall specify the name of the proxy, subject matter, authority and validity period, and shall be signed by the principal. When a proxy attends the meeting of the Nomination Committee, he/she shall issue the proxy form and exercise the rights he/she is authorized to exercise.

Article 10 A member of the Nomination Committee who fails to attend two consecutive meetings in person or by proxy shall be deemed as unable to perform his/her duties, and the Nomination Committee shall propose to the Board to remove him/her.

Article 11 Votes at meetings of the Nomination Committee shall be taken by show of hands or by poll.

Article 12 Directors, supervisors and senior management member(s) of the Company who are not members of the Nomination Committee may be invited to attend the meeting(s) of the Nomination Committee if necessary.

Article 13 The Company shall provide the Nomination Committee with sufficient resources to allow the Nomination Committee to perform its duties, and the relevant departments of the Company shall cooperate with the Nomination Committee accordingly in performing its duties. The Nomination Committee may engage intermediaries to provide professional advice regarding its decisions if necessary at the expense of the Company.

Article 14 A member shall refrain from discussions regarding any issue related to such member at a meeting of the Nomination Committee. Such meeting may be held as long as it is attended by more than half of the non-related members, and resolutions of such meeting shall be subject to approval by more than half of the non-related members. If the number of non-related members attending the meeting is less than half of the total number of non-related members of the Nomination Committee, the issue shall be submitted to the Board for consideration.

Article 15 The Nomination Committee shall keep minutes of the meeting(s). The minutes shall be prepared by the office of the Board and shall include the following:

- (1) method, date, venue and name of the chairman of the meeting;
- (2) details of attendance, absence and attendance by proxy;
- (3) names and positions of persons attending the meeting;
- (4) agenda of the meeting;
- (5) key points of speeches to be delivered by members and relevant attendees; and
- (6) name of the person taking the minutes.

Members attending a meeting of the Nomination Committee shall sign on the minutes of such meeting. The minutes shall be kept by the secretary of the Board for a minimum of ten years.

Article 16 Resolutions and voting results passed at the meeting(s) of the Nomination Committee shall be reported to the Board in writing. The Nomination Committee shall report to the Board its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as restrictions on disclosure due to regulatory requirements).

Article 17 Members of the Nomination Committee and those in attendance are obliged to keep matters considered at the meeting confidential and shall not disclose relevant information without authorization.

Chapter 5 Supplementary Provisions

Article 18 These terms of reference shall take effect and be implemented from the day on which H shares of the Company are listed and traded on The Stock Exchange of Hong Kong Limited.

Article 19 In case of any inconsistency between the Chinese version and the English version of these terms of reference, the Chinese version shall prevail.

Article 20 For any matters not covered in these terms of reference, the relevant laws and regulations, the Listing Rules, other requirements of the Hong Kong securities regulatory authority, and the relevant provisions of the Articles of Association shall apply. If the relevant provisions of these terms of reference contravene with the laws and regulations, the Listing Rules, other requirements of the Hong Kong securities regulatory authority and the Articles of Association as enacted or amended in the future, such relevant laws and regulations, the Listing Rules, other requirements of the Hong Kong securities regulatory authority, and the existing or revised Articles of Association shall prevail.

Article 21 The Board shall be responsible for amending and interpreting the terms of reference.