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**WAH NAM INTERNATIONAL HOLDINGS LIMITED**

**華南投資控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**(SEHK Stock Code: 159)**

**(ASX Stock Code: WNI)**

**TERMS OF REFERENCE OF THE  
NOMINATION COMMITTEE**

The following is the text of the terms of reference of the Nomination Committee of the Company.

By order of the board of directors of  
**Wah Nam International Holdings Limited**  
**Chan Kam Kwan, Jason**  
*Company Secretary*

Hong Kong, 30 March 2012

*As at the date of this announcement, the board of directors of the Company comprises Mr. Luk Kin Peter Joseph, Mr. Chan Kam Kwan, Jason and Mr. Chu Chung Yue, Howard as executive directors and Mr. Lau Kwok Kuen, Eddie, Mr. Uwe Henke Von Parpart and Mr. Yip Kwok Cheung, Danny as independent non-executive directors.*

\* *For identification purpose only*

# **Wah Nam International Holdings Limited**

(the "Company")

## **NOMINATION COMMITTEE TERMS OF REFERENCE AND NOMINATION POLICY**

### **1. Introduction**

The Board has established a Nomination Committee (the "Committee"). The Committee provides advice and recommendations to the Board regarding:

- the identification of suitable candidates for nomination to the Board, Board Committees and senior management;
- succession planning for the Board and senior management;
- the appointment and re-election of Directors; and
- ensuring the skills needed are available to the Board to discharge its duties and add value to the Company.

This Terms of Reference and Policy governs the operations of the Committee and is made in compliance with Appendix 14 of the HKEx Listing Rules and the Australian Corporate Governance Principles and Recommendations as established by the ASX Corporate Governance Council.

The Board and Chief Executive Officer remain ultimately responsible for appointments of Directors and senior management.

### **2. Applicable policies**

The Board, Chief Executive Officer and Committee will discharge their responsibilities in accordance with the Nomination Policy, subject to the applicable terms of any employment, service or other agreement.

### **3. The Committee Terms of Reference**

#### **3.1 Composition of the Committee**

The Board believes that the individuals on the Board can make, and do make, quality and independent judgments in the best interests of the Company on all relevant issues. If any of the Directors have a conflict of interest in relation to a particular item of business, they must absent themselves from the Committee meeting before commencement of discussion on the topic.

As the size of the Board increases, the Board may appoint at least 3 members of the Board to form the Committee. A majority of members will be independent non-executive Directors.

The chairman of the Committee will be an independent non-executive Director. The Board appoints the chairman of the Committee. The term of the chairman of the Committee is also determined by the Board.

### **3.2 Meetings of the Committee**

Meetings are held not less than once a year or more frequently as required. Any Committee member may, and the Company Secretary must on request from a member, convene a meeting of the Committee within 7 days.

The Committee may invite the executive Directors (if not already on the Committee) and other members of senior management to participate in meetings but should also meet without their presence.

A quorum shall consist of a majority of Committee members.

A formal agenda for each meeting is distributed prior to each meeting by the Company Secretary and enables confirmation of minutes and satisfactory resolution of any matters arising from the previous meetings.

The Committee will keep minutes of all of its proceedings and will report its actions to the next meeting of the Board.

The Company Secretary provides assistance to the Committee in the preparation of the agenda and minutes of meeting. The Company Secretary attends meetings of the Committee if required by the chairman of the Committee.

If the Board considers it necessary, an independent advisor may be used to enable the Committee to fulfil its role or to assist the Chief Executive Officer in assessing senior management.

## **4. Nomination Policy**

### **4.1 Principles**

When considering matters related to nomination, the members of the Committee, Chief Executive Officer and the Board will have regard to the following principles:

- (a) assess the skills required to discharge competently the Board's duties having regard to the Company's performance, financial position and strategic direction;
- (b) as and when they consider it appropriate take into account such factors as independence, complexity and size of operations, assess the skills represented on the Board and determine whether those skills meet the skills identified as required;
- (c) have regard to the skills required and the skills already represented on the Board; and
- (d) take account of any succession planning issues or strategies for the ongoing effective performance of the Board as a whole.

## **4.2 Nomination duties and responsibilities of the Committee**

The duties and responsibilities of the Committee in relation to nomination matters are as follows:

- (a) identifying suitable candidates for nomination to the Board and senior management;
- (b) assessing the necessary and desirable competencies of Directors and the Board as a whole;
- (c) assessing the extent to which the required competencies are represented on the Board;
- (d) establishing processes for the identification of suitable candidates for appointment to the Board as additional members or to succeed existing members;
- (e) reviewing the Board succession plans;
- (f) making recommendations to the Board on appointment and re-election of Directors;
- (g) making recommendations to the Board on its structure and commitment of Directors;
- (h) making recommendations to the Board on the structure of the Board Committees; and
- (i) making recommendations to the Board on the relevance and effectiveness of the Board Committees.

The Committee may also assist the Remuneration and Performance Committee to establish processes for, and assist in, the review of individual Directors, the Board and Board Committees.

## **4.3 Director nomination procedure**

Subject to the provisions in the Company's Bye-laws, if the Board recognises the need for an additional Director or member of senior management:

- (a) the Board determines the required skilled set, relevant expertise and experience, having consideration of the current Board composition and size and shareholder structure of the Company;
- (b) the Committee and/or Board identifies potential candidates, possibly with assistance from external agencies and/or advisors;
- (c) the Company Secretary provides the Board with the biographical details and details of the relationship between the candidate and the company and/or Directors, directorships held, skills and experience, other positions which involve significant time commitment and any other particulars required by law for any candidate for appointment to the Board;
- (d) the Board develops a short list of candidates;

- (e) in the case of the appointment of an additional independent non-executive Director, the Board obtains all information in relation to the proposed Director to allow the Board to adequately assess the independence of the Director;
- (f) the Board agrees on a preferred candidate;
- (g) the Chairman of the Board approaches the preferred candidate to canvass interest, availability and terms of appointment; and
- (h) the chairman of the Committee, the Chairman of the Board and the Company Secretary finalise a letter of appointment for Board approval.

In the case of the appointment of independent non-executive Directors, appointments should be for specific terms and subject to re-election, the ASX Listing Rules, the HKEx Listing Rules and the Companies Act 1981 of Bermuda.

#### **4.4 Re-election of Directors**

In accordance with the provisions of the Company's Bye-laws the re-election of a Director is not automatic and will be considered by the Board and members in general meeting.

The Committee may make recommendations to the Board regarding the re-election of Directors.

Non-executive Directors standing for re-election should provide the Committee with details of other commitments and an indication of the time involved, and should specifically advise the Company that they have sufficient time to meet their commitment to the Company.

The Company Secretary will also provide the Board with other information relevant to the re-election of a Director, in particular the term of office served by the Director.

Non-executive Directors should inform the chairman of the Committee, the Chairman of the Board and the Company Secretary before accepting any new appointments as Directors.

#### **4.5 Reporting**

The chairman of the Committee will usually provide an oral report to the Board of any material matters arising out of the previous meetings of the Committee. The minutes of any meetings will be provided to the Board, with its Board papers, for information. However, if the Committee has met before a Board meeting but has not approved the minutes of that meeting or meetings, the draft minutes of the meeting or meetings will be approved by the chairman of the Committee for provision to the Board.

The Committee will also liaise and co-operate with the Remuneration and Performance Committee in discharging their duties and responsibilities.

#### **5. Access to information**

In the performance of its duties and responsibilities, the Committee will have access to all information and records held by the Company.

**6. Right to independent professional advice**

The Committee may also obtain independent professional advice at the Company's expense in connection with its duties and responsibilities.

If appropriate, any advice so received will be made available to all Directors.

**6.1 Prior written approval of Chairman**

Prior written approval of the Chairman of the Board is required before obtaining professional advice, but will not be withheld unreasonably.

**6.2 Expenses**

Expenses will be submitted to the Chairman of the Board (or, in his/her absence, the Company Secretary) for approval.

**7. No rights created**

This Terms of Reference and Policy is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of the Company. Whilst it should be interpreted in the context of all applicable laws, regulations, the ASX Listing Rules and the HKEx Listing Rules, as well as in the context of the Company's Bye-laws, it is not intended to establish any legally binding obligations.

**8. Review**

The Board annually reviews the membership and Terms of Reference of the Committee to determine its adequacy and effectiveness for current circumstances. The Committee may make recommendations to the Board in relation to the Committee's membership, purpose and responsibilities.