

SMART UNION GROUP (HOLDINGS) LIMITED

**TERMS OF REFERENCE FOR THE
NOMINATION COMMITTEE**

(adopted on 13 March 2012)

Smart Union Group (Holdings) Limited

Terms of Reference for Nomination Committee (adopted on 13 March 2012)

Nomination Committee members:

Mr. Yang Wang Jian
Mr. Wong Kwong Chung, James
Mr. Yeung King Wah, Kenneth

Chairman of the Nomination Committee :

Mr. Yang Wang Jian

Secretary of the Nomination Committee :

Ms. Man Ching Yan

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Constitution

1. The board hereby resolves to establish a Nomination Committee of the Board, to be known as the Nomination Committee.

Membership

2. The Committee shall be appointed by the board of directors of the Company (the “**Board**”) and shall consist of not less than three members and that a majority should be independent non-executive Directors. A quorum shall be two members or such number as may be determined by the Chairman of the Committee from time to time.
3. The Chairman of the Committee shall be an independent non-executive Director or the board chairman appointed by the Board and majority of members of the Committee shall be independent non-executive directors.
4. The company secretary shall be the Secretary of the Committee.

Attendance at Meetings

5. As necessary or desirable, the Chairman may request that members of management be present at meetings of the Committee. Other Board members shall also have the right of attendance.

Frequency of Meetings

6. Meetings shall be held not less than once a year. Additional meetings should be held as the work of the Committee demands.

Notice of Meetings

7. Notice of meetings shall be given to all members of the Committee at least two working days before the meeting.

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Authority

8. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
9. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Duties

10. The duties of the Committee shall include the following:-
 - (a) Formulate nomination policy for the Board's consideration and implement the Board's approval nomination policy;
 - (b) to review the structure, size and composition (including the skills, knowledge, experience 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;
 - (c) 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;
 - (d) to assess the independence of independent non-executive Directors;
 - (e) 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 of the Company;
 - (f) 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 the Committee believes the individual should be elected and the reasons why the Committee considers the individual to be independent; and
 - (g) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board.

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Reporting procedures

11. The Secretary shall circulate the minutes of meetings of the Committee to all members to the Board.

Publication of the terms of reference of the Nomination Committee

12. The terms of reference of the Nomination Committee will be posted on the website of each of the Company and The Stock Exchange of Hong Kong Limited, and will be made available upon request.

Others

13. The chairman of the Nomination Committee or in his absence, another member of the Nomination Committee or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to questions at the annual general meeting on the Nomination Committee's activities and their responsibilities.
14. The Nomination Committee should be provided with sufficient resources to discharge its duties.