



China AU Group Holdings Limited

中國金豐集團控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8176)

TERMS OF REFERENCE OF NOMINATION COMMITTEE

(Adopted by the Company pursuant to the Board resolution passed on 27 March 2012)

CONSTITUTION

1. The board (the “**Board**”) of directors (the “**Directors**”) of China AU Group Holdings Limited (the “**Company**”) has resolved to establish a committee of the Board to be known as the Nomination Committee (the “**Nomination Committee**”).

MEMBERSHIP

2. The Nomination Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three members, a majority of whom should be independent non-executive Directors. A quorum shall be 2 members.
3. The chairman of the Nomination Committee (the “**Chairman**”) shall be appointed by the Board and shall be the chairman of the Board or an independent non-executive Director.

ATTENDANCE AT MEETINGS

4. The company secretary shall be the secretary of the Nomination Committee (the “**Secretary**”).

FREQUENCY OF MEETING

5. Meetings shall be held at least once a year.

AUTHORITY

6. The Company shall provide the Nomination Committee sufficient resources to perform its duties. Where necessary, the Nomination Committee should seek independent professional advice, at the Company’s expense, to perform its responsibilities.

* *For identification purpose only*

DUTIES

7. The duties of the Nomination Committee shall include:
- (a) 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; *(A.5.2 (a))*;
 - (b) 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 *(A.5.2(b))*;
 - (c) to assess the independence of independent non-executive Directors, having regard to the requirements under the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited *(A.5.2 (c))*; and
 - (d) 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 Company *(A.5.2 (d))*.

PROCEDURES

8. The Chairman, in consultation with the person responsible for human resources and the Secretary, should be primarily responsible for drawing up and approving the agenda for each meeting of the Nomination Committee. The Chairman, with the assistance of the Secretary, shall ensure that all members shall receive sufficient information in a timely manner to enable effective discussion at the meeting of the Nomination Committee. The Chairman shall, with the assistance of the person responsible for human resources, brief all members on issues arising at each meeting of the Nomination Committee. The Secretary shall circulate the draft and final versions of the minutes of meetings and reports of the Nomination Committee to all members for comments and records within a reasonable time after each meeting, subject to any legal or regulatory restrictions restricting such circulation or the making of such reports. The Chairman shall report in the forthcoming regular Board meeting any key decisions made and shall table before the Board an index of meetings and issues discussed *(D.2.2)*.
9. The Secretary shall record minutes of all duly constituted meetings of the Nomination Committee. All minutes shall record in sufficient details the matters considered, decisions reached or recommendations made and any concerns raised by any member including dissenting views.

Note: If there is any inconsistency between the English and Chinese version of this Term of Reference, the English version shall prevail.