

CHAoyUE GROUP LIMITED

超越集團有限公司

(incorporated in Bermuda with limited liability)

(hereafter the “Company”)

(Stock Code: 00147)

Terms of Reference of Nomination Committee

1. Member

1.1 The nomination committee should be established by the board of the Company (the “Board”). It should comprise majority of independent non-executive directors.

1.2 The nomination committee must be chaired by the chairman of the Board or an independent non-executive director within the nomination committee and appointed by the board.

2. Secretary of Nomination Committee

2.1 The company secretary of the Company shall act as the secretary of the nomination committee.

2.2 The nomination committee may from time to time, appoint any other person with appropriate qualification and experience to act as the secretary of the nomination committee.

3. Meeting

3.1 The member of nomination committee can call for a meeting anytime when it is necessary.

3.2 Notice of at least 14 days should be given for any meeting, unless such notification is waived by all members of the nomination committee. Notwithstanding the notification period, the attendance of the member of the committee at the meeting would be deemed to be treated as the waiver of the required notification requirement. If the follow up meeting takes place within 14 days after the meeting, then no notification is required for such follow up meeting.

3.3 The quorum necessary for the transaction of business of the nomination committee shall be two members of the nomination committee, one of whom must be an independent non-executive director.

3.4 Meeting can be attended in person or via electronic means including telephonic or videoconferencing. The members of the nomination committee can attend the meeting via telephonic or any similar communication device (all persons attending such meeting should be able to hear from such member via such communication device).

3.5 The resolution of the nomination committee should be passed by more than half of the members.

3.6 The resolution passed and signed by all members of nomination committee is valid, and the validity is same as any resolution passed in the meeting held.

3.7 Full minutes of nomination committee meeting should be kept by a duly appointed secretary of the nomination committee and be available for review by the directors. Draft and final versions of minutes of the meeting should be sent to all committee members for their comment and records, within a reasonable time after the meeting.

4. **Meeting attendance**

4.1 Upon the invitation from the nomination committee, the chairman of the Board and/or the general manager or chief executive, external advisor and the other persons can be invited to attend all or part of any meeting.

4.2 Only the member of the nomination committee can vote in the meeting.

5. **Annual General Meeting**

5.1 The chairman of nomination committee or (if absent) the other member of nomination committee (must be an independent non-executive director) should attend the annual general meeting of the Company, handled the shareholders' enquiry on the activities and responsibilities related to the nomination committee.

6. **Authorization**

6.1 The nomination committee is authorized by request the employee of the Company to provide any information within the scope of its duties.

6.2 The nomination committee should have access to independent professional advice at the Company's expense, and to secure the independent party processing a relevant experience and profession to attend the meeting if necessary, to perform its responsibilities as a member of the nomination committee.

6.3 The nomination committee should be provided with sufficient resources to perform its duties.

7. **Duties and Powers**

The nomination committee shall have the following duties and powers:

7.1 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 the Company's corporate strategy;

7.2 identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

7.3 assess the independence of independent non-executive directors;

- 7.4 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; and
 - 7.5 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 they believe he should be elected and the reasons why they consider the individual to be independent.
8. **Declaration responsibility**
- 8.1 The nomination committee shall report to the Board every time after any meeting of the nomination committee.