

NATIONAL ELECTRONICS HOLDINGS LIMITED
Nomination Committee Charter

Purpose

1. The purpose of the Nomination Committee is to identify, screen and recommend to the Board appropriate candidates to serve as Directors of the Company, to review the structure, size and composition of the Board and recommend to the Board nomination guidelines for the Company.

Composition

2. The Nomination Committee shall be appointed by the Board from time to time pursuant to Bye-law 137. The Nomination Committee members shall comprise of both executive directors and non-executive directors and shall consist of not less than three non-executive directors, the majority of whom shall meet the independence requirements (if any) of the Stock Exchange of Hong Kong Limited. The Board shall appoint (or delegate to the Nomination Committee the appointment of) one member of the Nomination Committee as the Chairman.

Meetings

3. The Nomination Committee shall meet at least once annually, or more frequently if circumstances dictate or act by unanimous written consent. At least one of these meetings shall be in person, while others may be conducted telephonically. Except in emergencies all papers for the meeting shall be sent to the Committee member at least three days before the meeting. The quorum shall be two members of the Committee. All provisions of law and of the Company's Bye-Laws relating to proceedings of the Board shall apply mutatis mutandis to proceedings of the Nomination Committee.
4. The Chairman (or in his or her absence, a member designated by the Chairman) shall preside at all meetings of the Nomination Committee. The Chairman shall be responsible for leadership of the Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.

Access

5. The Nomination Committee shall have full access to management. The Nomination Committee may invite members of management or others to attend the Committee's meetings and provide pertinent information as appropriate.

Minutes

6. Minutes of each Nomination Committee meeting shall be prepared by the Secretary of the Company (who shall attend each meeting) and sent to all Nomination Committee members in draft for comments as soon as reasonably practicable. Final versions of minutes shall be prepared and sent to all Nomination Committee members as soon as practicable. For the avoidance of doubt the Secretary shall not be a member of the Nomination Committee.

Authority

7. The Nomination Committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates and shall have sole authority to approve the search firm's fees and other retention terms. The Nomination Committee shall have the authority to obtain advice and assistance from internal or external legal, accounting or other advisors at the expense of the Company.

Responsibilities and Duties

Board Matters

8. The Nomination Committee shall develop criteria to identify, assess the qualifications of and evaluate candidates for the Board. Based on such criteria and evaluation, the Committee shall recommend to the Board candidates to be elected as necessary to fill vacancies or as additions to the Board. The Nomination Committee shall evaluate the contributions and independence of incumbent Directors to determine whether to recommend them for reelection. Based on such evaluation, the Committee shall recommend to the Board candidates for reelection to the Board at each annual shareholders' meeting.
9. The Nomination Committee shall make recommendations to the Board concerning the structure, size, composition and functioning of the Board and its committees, and shall recommend to the Board candidates for appointment to Board committees.

Reports

10. The Nomination Committee shall evaluate and assess the effectiveness of the Nomination Committee and the adequacy of this Nomination Committee Charter on an annual basis and recommend any proposed changes to the Board.
11. The Nomination Committee shall develop and recommend to the Board sets of corporate governance guidelines. The Nomination Committee shall periodically review and assess the adequacy of the corporate governance guidelines of the Company and recommend any proposed changes to the Board for approval.

Succession Planning

12. The Nomination Committee shall periodically review the Company's succession plans with respect to the Managing Director and other senior management members.

Evaluations

13. The Nomination Committee shall determine the process for and execute the annual evaluation of the Board. The Committee shall review the evaluation, report to the Board with respect to the evaluation and make recommendations to the Board regarding any proposed changes.

General

14. The Nomination Committee shall be provided by the Company with sufficient resources to discharge its duties.