

# **FLEXSYSTEM HOLDINGS LIMITED**

## **TERMS OF REFERENCE FOR THE NOMINATION COMMITTEE**

**(adopted on 21 March 2012)**

**FlexSystem Holdings Limited**  
**Terms of Reference for Nomination Committee (adopted on 21 March 2012)**

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Nomination Committee members: Independent Non-Executive Director

Mr. Liu Zhiquan

Dr. Chow Ka Ming, Jimmy

Dr. Wong Wing Lit

Chairman of the Nomination Committee: Mr. Liu Zhiquan

Secretary of the Nomination Committee: Mr. Tung Tat Chiu

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***Constitution***

1. The board of directors (the “**Board**”) of FlexSystem Holdings Limited (the “**Company**”) hereby resolves to establish a nomination committee of the Board (the “**Nomination Committee**”). The constitution of the Nomination Committee shall comply with the requirements of the Rules Governing the Listing of Securities (the “**GEM Listing Rules**”) on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) from time to time.

***Membership***

2. The members of the Nomination Committee shall be appointed by the Board and shall consist of not less than three members, a majority of whom should be independent non-executive directors. A quorum shall be two members, one of whom shall be an independent non-executive director.
3. The chairman of the Nomination Committee shall be the chairman of the Board or an independent non-executive director appointed by the Board.

***Attendance at meetings***

4. Unless otherwise agreed by all the members of the Nomination Committee, a meeting (the “**Meeting**”) of the Nomination Committee shall be called by at least fourteen (14) days’ notice. A member may and, on the request of a member, the secretary shall, at any time summon a Meeting. Notice shall be given to each member, at least fourteen (14) days before the date of the meeting orally in person or in writing or by telephone or by telex or telegram or facsimile transmission at the telephone number or facsimile number or address from time to time notified to the secretary by such member or in such other means as the members may from time to time determine. Any notice given orally shall be confirmed in writing. Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members for the purposes of the Meeting.
5. The company secretary shall be the secretary of the Nomination Committee. The secretary of the Nomination Committee or in his absence, his representative or any one member, shall be the secretary of the meetings of the Nomination Committee.

## **FlexSystem Holdings Limited**

### **Terms of Reference for Nomination Committee (adopted on 21 March 2012)**

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6. Members of the Nomination Committee may attend meetings of the Nomination Committee either in person or through other electronic means of communication.
7. Resolutions of the Nomination Committee at any meeting shall be passed by a majority of votes of members if more than two members are present and by a unanimous vote if only two members are present.

#### ***Frequency of meetings***

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

#### ***Authority***

9. The Nomination Committee is authorized by the Board to seek such further information from the management of the Company as it may require in order to enable it to perform its duties.
10. The Nomination Committee is authorized 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***

11. The duties of the Nomination Committee shall be:
  - (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;
  - (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;
  - (c) to assess the independence of independent non-executive directors;
  - (d) to make recommendations to the Board on the appointment or re-appointment of

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directors and succession planning for directors, in particular the chairman and the chief executive;

- (e) to do any such things to enable the Nomination Committee to perform its powers and functions conferred on it by the Board;
- (f) to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by the GEM Listing Rules or applicable law; and
- (g) 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 him to be independent.

***Reporting procedures***

12. Draft and final versions of the minutes of the Nomination Committee meetings shall be sent to all Nomination Committee members for their comments and records respectively. The secretary or his representative shall circulate the minutes of meetings and reports of the Nomination Committee to all members of the Board.

***Publication of the terms of reference of the Remuneration Committee***

13. The terms of reference of the Nomination Committee will be posted on the websites of the Company and the Stock Exchange, and will be made available upon request.

***Others***

14. 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.

**FlexSystem Holdings Limited**

**Terms of Reference for Nomination Committee (adopted on 21 March 2012)**

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15. The Company should provide the Nomination Committee sufficient resources to perform its duties. The Nomination Committee should seek independent professional advice, at the Company's expense, to perform its responsibility where necessary.