



**CHINA FOODS LIMITED**  
**中國食品有限公司**

*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 00506)**

## **Terms of Reference of the Nomination Committee**

Adopted in March 2012

March 2012

# CONTENT

	Page No.
1. Constitution	1
2. Objective	1
3. Membership	1
4. Committee secretary	1
5. Proceedings of meetings	1
6. Frequency of meetings	2
7. Arrangement for and notices of meetings	2
8. Minutes of meetings	2
9. Authority	3
10. Access to services of company secretary	3
11. Access to independent professional advice	3
12. Duties	3
13. Reporting procedures and contents	4
14. Others	5

## **Constitution**

1. The board of directors (the **“Board”**) of China Foods Limited (the **“Company”**) established the Nomination Committee (the **“Committee”**) on 30 March 2012.

## **Objective**

2. To run an effective Board, the Company should have a formal, considered and transparent procedure for appointing new directors and plans in place for orderly succession for appointments. The main objective of the Committee is to lead the process for the appointment of Directors, and to identify and nominate suitable candidates for appointment to the Board.

## **Membership**

3. The Committee members shall be appointed by the Board and shall consist of not less than three members.
4. The majority of the members of the Committee shall be independent non-executive director.
5. The chairman of the Committee shall be the chairman of the Board.

## **Committee secretary**

6. The company secretary of the Company shall act as the secretary of the Committee (the **“Secretary”**).

## **Proceedings of meetings**

7. A quorum shall be two members and one of them must be independent non-executive director.
8. The Committee members shall participate in meetings of the Committee either in person or by means of a conference telephone or similar communications equipment which all persons participating in the meeting are capable of hearing each other.
9. Meetings of the Committee shall be chaired by the chairman of the Committee. In the absence of the chairman of the Committee or when the chairman cannot chair the meeting due to other matters, the remaining members present shall elect one of them to chair the meeting. For the avoidance of doubt, a director shall not chair the meeting of the Committee when it is dealing with his or her own succession of any position.

10. Only members of the Committee shall have the right of attendance. However, the Committee shall invite any appropriate persons to attend the meeting whenever it is necessary.

### **Frequency of meetings**

11. Regular meetings of the Committee shall be held at least once during a financial year. Ad hoc meetings may also be convened as the chairman of the Committee shall require.

### **Arrangement for and notices of meetings**

12. Meetings of the Committee shall be called by the Secretary as instructed by the chairman of the Committee, or requested by the Board.
13. Notices for regular meetings of the Committee shall be given to all Committee members and other attendees (as the case may be) of at least 14 days. For all other meetings, notices of meetings shall be given to the Committee members within a reasonable time before the meetings.
14. If any member of the Committee wishes to include matters in the agenda for a particular regular meeting, the member may notify the Secretary such matters in writing within seven days after a notice of the meeting is given.

### **Minutes of meetings**

15. The Secretary shall minute in sufficient detail the matters considered and decisions reached of all Committee meetings, including any concerns raised by members of the Committee or dissenting views expressed as well as the names of those present and in attendance.
16. Draft and final versions of minutes of meetings of the Committee shall be sent to all Committee members for their comment and records respectively within a reasonable period of time after the meetings are held. Minutes of meetings of the Committee are open for inspection by any director at any reasonable time on reasonable notice to the company secretary.

## **Authority**

17. The Committee is authorized by the Board to review, assess and make recommendations upon any issue within these terms of reference
18. The Committee shall be provided with sufficient resources to perform its duties.
19. The Committee members are entitled to request from the Company and its Directors, employees and advisers all such information as they may reasonably require in order performing their duties.

## **Access to services of company secretary**

20. Members of the Committee shall have access to the advice and services of the company secretary to ensure that board procedures and all applicable rules and regulations are followed.

## **Access to independent professional advice**

21. The Committee is authorized by the Board to obtain, in connection with its duties and at the Company's expense, any outside legal or other independent professional advice and to secure the attendance of external advisors with relevant experience and expertise at meetings if considers this necessary. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it to perform its duties.

## **Duties**

22. The Committee shall perform the following duties:
  - a. 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. 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. assess the independence of independent non-executive directors;
  - d. make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the managing director;

- e. make recommendations to the Board on the membership of committees of the Board, including the audit committee and the remuneration committee, in consultation with the chairman of the Board and the chairman of such committees, as appropriate;
- f. before recommending an appointment, to evaluate the balance of skills, knowledge and experience on the Board, and in light of this evaluation, to prepare a description of the role and capabilities required for a particular appointment of director. In identifying suitable candidates, the Committee shall:
  - (i) consider candidates from a wide range of backgrounds, whether he/she has the character, experience and integrity and is able to demonstrate a standard of competence commensurate with his/her position as a director of the Company; and
  - (ii) consider candidates on merits in an objective manner, ensuring that candidates can devote sufficient time to the position;
- g. keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the market in which the Company operates;
- h. review annually the time required from non-executive directors and to assess whether the non-executive directors are spending enough time to fulfill their duties; and
- i. the chairman of the Committee or his nominee shall attend the Company's annual general meetings and special general meetings (if appropriate) and be prepared to answer questions raised by shareholders in relation to their duties.

### **Reporting procedures and contents**

- 23. The Committee shall report to the Board. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report the findings and recommendations (if any) to the Board.

24. Disclosure in the Corporate Governance Report in the annual report should include:

- a. the role, function and composition of the Committee and whether it comprises independent non-executive directors, non-executive directors and executive directors (including their names and identifying the chairman of the Committee);
- b. the number of the Committee meetings held during the year and the record of attendance of members, by name, at meetings held during the year; and
- c. the summary of work performed by the Committee during the year, including determining the policy for the nomination of the directors, performed by the Committee during the year. The nomination procedures and the process and criteria adopted by the Committee to select and recommend candidates for directorship during the year.

#### **Others**

25. These terms of reference are available on the HKExnews website of The Stock Exchange of Hong Kong Limited and the website of the Company and available on reasonable request made to the company secretary at reasonable time.