



## MERRY GARDEN HOLDINGS LIMITED

### 美麗家園控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1237)**

## **Terms of reference of the Nomination Committee adopted by the Board on 26 August 2013**

### **The Nomination Committee**

The board of directors (the “**Board**”) of Merry Garden Holdings Limited (the “**Company**”) established a committee of the Board known as the Nomination Committee on 15 June 2012 (the “**Nomination Committee**”) and adopted this set of Terms of reference for the Nomination Committee:

#### **1. Membership**

- 1.1 The members of the Nomination Committee shall be appointed by the Board from amongst the directors of the Company and the Nomination Committee shall consist of not less than three members, the majority of which shall be independent non-executive directors of the Company. The constitution of the Nomination Committee shall comply with the requirements of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) from time to time.
- 1.2 The chairman of the Nomination Committee shall be appointed by the Board. The chairman shall either be the chairman of the Board or an independent non-executive director of the Company.
- 1.3 The term of each appointment of the members of the Nomination Committee shall be determined by the Board upon appointment.
- 1.4 No alternate Nomination Committee member can be appointed.

#### **2. Secretary of Nomination Committee**

- 2.1 The company secretary of the Company shall be the secretary of the Nomination Committee.
- 2.2 The Nomination Committee may from time to time appoint another secretary with appropriate qualification and experience.
- 2.3 The secretary of the Nomination Committee should attend all meetings of the Nomination Committee.

### **3. Attendance at meetings**

- 3.1 A quorum shall be two members, one of them shall be an independent non-executive director. In the event of an equality of votes, the chairman of the Nomination Committee shall be entitled to a second or casting vote. Other board members, apart from the Nomination Committee members, have the right to attend any Nomination Committee meetings, though they shall not be counted in the quorum.
- 3.2 The members of the Nomination Committee may attend meetings either in person, by telephone or through other electronic means of communication (which are available to all attended parties) and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

### **4. Meetings**

- 4.1 The Nomination Committee shall meet before the holding of an annual general meeting where the appointment of directors of the Company will be considered. The Nomination Committee members may call any meetings at any time when necessary.
- 4.2 Resolutions signed by all members of the Nomination Committee will be treated valid as if it is passed in the meeting held by the Nomination Committee and may consist of several documents in the same form each signed by one or more of the members of the Nomination Committee. Such resolution may be signed and circulated by fax.

### **5. Authority**

- 5.1 The Nomination Committee is authorised by the Board to seek any necessary information which is within the Nomination Committee's scope of duties from the employees.
- 5.2 The Nomination Committee is authorised by the Board to obtain outside independent professional advice, and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.
- 5.3 The Nomination Committee shall have access to sufficient resources in order to perform its duties.

### **6. Duties**

The duties of the Nomination Committee shall include, but shall not be limited to the following:

- 6.1 to review the structure, size, composition and diversity of the Board (including without limitation, gender, age, cultural and educational background, professional experience, skills and knowledge) at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- 6.2 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;

- 6.3 to 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 officer;
- 6.4 to assess the independence of independent non-executive directors;
- 6.5 where the Board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, the Nomination Committee 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;
- 6.6 to give due regard to the benefits of diversity on the Board against objective criteria in reference to the board diversity policy when performing its duties;
- 6.7 to review the board diversity policy as appropriate and to review the measurable objectives under the board diversity policy and the progress of attainment, so as to ensure effective implementation; and
- 6.8 to exercise such other powers, authorities and discretions, and perform such other duties, of the directors in relation to the nomination of directors as the Board may from time to time delegate to it, having regard to the Companies Ordinance, the Listing Rules and the Memorandum and Articles of Association of the Company.

## **7. Reporting Procedures**

- 7.1 The Nomination Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting/written resolution of the Nomination Committee, copies of the minutes/resolution setting out the findings, recommendations and decisions of the Nomination Committee shall be submitted to the Board.

## **8. Availability and Update of the Terms of Reference**

- 8.1 These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements (e.g. the Listing Rules) in Hong Kong. These terms of reference shall be made available to the public on request and by including the information on the Stock Exchange's website and the Company's website.