



Pak Tak International Limited
百德國際有限公司

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PAK TAK INTERNATIONAL LIMITED
(the “**Company**”, together with its subsidiaries, the “**Group**”)

TERMS OF REFERENCE
OF
NOMINATION COMMITTEE
(the “**Committee**”)

Membership

1. The Committee shall, at least, consist of the Chairman of the Board, all the Independent Non-Executive Directors and one Executive Director appointed by the Board from time to time provided that a majority of the members of the Committee must be Independent Non-Executive Directors.
2. The Board shall nominate one of the members of the Committee as the chairman of the Committee who shall either be the Chairman of the Board or an Independent Non-Executive Director.
3. The Company Secretary or his/her nominee shall act as the Secretary of the Committee.

Frequency and proceedings of meetings

4. The Committee shall meet before the holding of an annual general meeting where appointment or re-election of Directors will be considered. Additional meetings shall be held as the work of the Committee demands.
5. In addition, the chairman of the Committee may convene additional meetings at his/her discretion.
6. The quorum of a meeting shall be two members of the Committee.
7. The Committee may meet and adjourn as it thinks proper. Questions arising at any

meeting shall be determined by a majority of votes of the members present and, in the case of an equality of votes, the chairman of a meeting shall have a second or casting vote.

Duties, powers and functions

8. The Committee shall:

- (a) formulate nomination policy for consideration by the Board and implement the nomination policy laid down by the Board;
- (b) without prejudice to the generality of the foregoing:
 - (i) identify and nominate candidates or make recommendations to the Board for its consideration or for it to make recommendations to the shareholders on the appointment or re-appointment of Directors. Sufficient biographical details of nominated candidates shall be provided to the Board and shareholders to enable them to make an informed decision;
 - (ii) review Board membership (including the structure, size and composition of the Board) at least annually, considering *inter alia* the length of service, the breadth of expertise, skills, knowledge and experience of the Board, and make recommendations to the Board on any proposed changes to complement the Company's corporate strategy;
 - (iii) assess the independence of Independent Non-Executive Directors;
 - (iv) make recommendations to the Board on relevant matters relating to the succession planning for the Directors, in particular the Chairman of the Board and the chief executive;
 - (v) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
 - (vi) 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 legislation or the Listing Rules.

Reporting Procedures

9. The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report the findings and recommendations of the Committee to the Board.

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Notes:

- (1) Pursuant to Bye-law 88, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless during a period of at least seven (7) days commencing no earlier than the day after the despatch of the notice of the general meeting appointed for such election and ending no later than seven (7) days prior to the date appointed for the general meeting there shall have been lodged at the Office or at the Registration Office Notice in writing signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting of his intention to propose such person for election and also Notice in writing signed by the person to be proposed of his willingness to be elected.

Hence, under the said Bye-law, the Board will have to put candidates duly proposed by a shareholder forward to a general meeting for shareholders' consideration even if the proposed candidates are not recommended by the Nomination Committee.

- (3) Pursuant to Bye-law 86(2), the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the Members in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re election at that meeting.
- (4) Pursuant to Bye-law 87(1), at every annual general meeting, one-third of the Directors are subject to retirement by rotation. Pursuant to Bye-law 87(2), a retiring director shall be eligible for reappointment.