

**LISI GROUP (HOLDINGS) LIMITED**  
**利時集團(控股)有限公司**  
(a company incorporated in Bermuda with limited liability)  
(stock code : 526)  
(the “Company”)

**Nomination Committee**

Terms of Reference  
(adopted on 29 March 2012)

**1. Establishment**

The board of directors of the Company (the “Board”) resolved to establish a nomination committee (the “Committee”) under the Board.

**2. Objective**

The major objective of the Committee is to regularly evaluate the structure of the Board and make recommendations to the Board on any proposed change. The Committee is responsible to the Board.

**3. Members**

3.1 The Committee comprises three (3) directors of the Company (the “Directors”) who shall be appointed and removed by the Board. The Committee membership will be terminated automatically in the case that such Committee member ceases his/her directorship in the Company and new Committee member will be appointed to fill the vacancy in order to fulfill the minimum number of members of the Committee (the “Members”).

3.2 A majority of the Members should be independent non-executive Directors.

3.3 The Committee shall include a Chairman appointed by the Board who shall be either the chairman of the Board or an independent non-executive director.

**4. Secretary**

Secretary of the Committee (the “Secretary”) will be the Company Secretary of the Company unless otherwise appointed by the Committee.

**5. Responsibilities**

5.1 The Committee shall 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;

5.2 The Committee shall identify individuals suitably qualified to become Board

members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

5.3 The Committee shall assess the independence of independent non-executive Directors; and

5.4 The Committee shall 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 of the Company.

## **6. Meeting**

### 6.1 Frequency

The Committee is required to convene, at least once a year, a meeting either by way of physical attendance, conference call or video conferencing. The Committee may convene meeting(s) if considered necessary.

### 6.2 Notice of Meeting

Unless otherwise agreed unanimously by all Members, the Secretary should issue notice in writing 7 days prior to the date of the meeting and circulate the related agenda of such meeting to all Members.

### 6.3 Quorum

A simple majority of the Members constitutes a quorum.

### 6.4 Methods of Meeting

A meeting may be effectively convened either by way of physical attendance, conference call or video conferencing. Members may use telephone or other similar device which allow the participants of the meeting to communicate between each other and be deemed to be an attendee of the meeting.

### 6.5 Resolutions

Any resolution of the meeting is considered effectively passed by the agreement of the majority of all attending Members. A resolution may be validly and effectively passed in writing with the unanimous agreement of all Members.

### 6.6 Invitation

The Committee may invite the executive Directors, professional advisors and/or any other third parties to attend the meeting. However such executive Directors, professional advisors and/or any other third parties have no authority to vote in the meeting.

### 6.7 Minutes

The Secretary should maintain a comprehensive record of all minutes of the Committee meetings and the said minutes should record all the matters discussed among, consideration and resolutions (including any hesitation and expressed opposition) of, the Members during the meeting in details. The Secretary should send the draft minutes and signed minutes to all Members for approval and records respectively within reasonable time subsequent to the end of the meeting. The Secretary should also deliver the signed minutes to Board for their records.

#### **7. Shareholders Meeting**

Committee Chairman or other Members with its authorisation should attend the annual general meeting and to answer the questions (if any) in relation to, among others, the Company's remuneration policy, Committee's activities and the Committee's duties raised by the shareholders. Unless otherwise authorised by the Board, all attending Members of a meeting are subject to the confidentiality of the meeting and are not allowed to disclose any relevant information to any third party.

#### **8. Duties to Report**

Chairman of the Committee or any other Member being appointed to chair the meeting should report to the Board after the end of every meeting.

#### **9. Rights of Interpretation**

The Board has the right of interpretation of these terms of reference.