

Excel

TECHNOLOGY

EXCEL TECHNOLOGY INTERNATIONAL HOLDINGS LIMITED

(志鴻科技國際控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8048)

Terms of Reference for the Nomination Committee

Objective

The Nomination Committee is to assist board of directors of the Company (“the Board”) to deal with matters in relation to appointment of members of the Board.

The Nomination Committee is established with these terms of reference adopted pursuant to the Corporate Governance Code under the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (“GEM Listing Rules”) with effect from 21 March 2012.

1. Membership

- 1.1 Members of the Nomination Committee shall be appointed by the Board of the Company.
- 1.2 The majority of the members of the Nomination Committee shall be independent non-executive directors (“INEDs”).
- 1.3 The Chairman of the Nomination Committee shall be appointed by the Board and shall either be the chairman of the Board or an INED.
- 1.4 The Company Secretary of the Company shall act as the secretary of the Nomination Committee.

2. Proceedings of the Meetings

2.1 Quorum

- 2.1.1 The quorum for meetings of the Nomination Committee shall be any two members.

** For identification purpose only*

2.2 Frequency of Meetings

2.2.1 The Nomination Committee shall hold at least one regular meeting in a year. Additional meetings of the Nomination Committee may be held as and when required.

2.3 Attendance at Meetings

2.3.1 Members of the Nomination Committee may attend meetings of the Nomination Committee either in person or through other electronic means of communication or in such other manner as the members may agree.

2.3.2 At the invitation of the Nomination Committee, the Chairman of the Board and/or Managing Director, external advisers and other persons may be invited to attend all or part of any meetings.

2.3.3 Only Members of the Nomination Committee are entitled to vote at the meetings.

2.4 Notice of Meetings

2.4.1 A meeting of the Nomination Committee may be convened by any of its members or by the company secretary.

2.4.2 Unless otherwise agreed by the members of the Nomination Committee, notice of at least 14 days shall be given for a regular meeting of the Nomination Committee. For all other meetings of the Nomination Committee, reasonable notice shall be given.

2.4.3 Agenda and accompanying supporting papers shall be sent to all members of the Nomination Committee and to other attendees as appropriate at least 3 days before the date of the meeting (or such other period as the members may agree).

2.5 Minutes of Meetings

2.5.1 Draft and final versions of minutes of Nomination Committee Meetings shall be sent to all Nomination Committee members for their comment and records within a reasonable time after the Meeting.

2.5.2 Minutes of the Nomination Committee shall be kept by the Company Secretary and shall be available for inspection by any member of the Nomination Committee or the Board at any reasonable time on reasonable notice.

2.6 Written Resolutions

2.6.1 Without prejudice to any requirement under the GEM Listing Rules, written resolution may be passed and adopted by all members of the Nomination Committee.

3. Annual General Meeting

- 3.1. 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 work and responsibilities.

4. Duties

The Nomination Committee shall perform the following duties:

- 4.1 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;
- 4.2 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;
- 4.3 to assess the independence of INEDs; and
- 4.4 to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman of the Board and the chief executive.

5. Authority

- 5.1 The Nomination Committee shall consult the Chairman of the Board and/or Managing Director about their appointment for other executive Directors and senior management.
- 5.2 The Nomination Committee is authorised by the Board where necessary to have access to independent professional advice.
- 5.4 The Nomination Committee shall be provided with sufficient resources to perform its duties.

6. Reporting Procedures

- 6.1 The Nomination Committee should report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Nomination Committee, the Chairman of the Nomination Committee shall report to the Board on the findings and recommendations of the Nomination Committee.

7. Publication of the Terms of Reference

- 7.1 The terms of reference will be posted on the websites of the Company and The Growth Enterprise Market of the Stock Exchange of Hong Kong Limited. A copy of the terms of reference will be made available to any person without charge upon request.