

**CHINA ZHONGDI DAIRY HOLDINGS COMPANY LIMITED**  
**中國中地乳業控股有限公司**

**TERMS OF REFERENCE OF  
THE NOMINATION COMMITTEE**

**China ZhongDi Dairy Holdings Company Limited**  
**中國中地乳業控股有限公司**  
*(incorporated in the Cayman Islands with limited liability)*  
(the “**Company**”)

**TERMS OF REFERENCE**  
**OF THE NOMINATION COMMITTEE**  
**ADOPTED BY THE BOARD ON SEPTEMBER 24, 2015**

**1. Membership**

- (a) The nomination committee of the Company (the “**Committee**”) shall be appointed by the board of directors of the Company (the “**Board**”) and shall consist of not less than three members, a majority of whom shall be independent non-executive directors of the Company (“**INEDs**”). The constitution of the Committee shall comply with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Exchange**”) (the “**Listing Rules**”) as amended from time to time. App 14-  
A.5.1
- (b) The chairman of the Committee shall be a member of the Committee appointed by the Board, and should either be the chairman of the Board or an INED. App 14-  
A.5.1

**2. Attendance at Meetings**

- (a) The quorum of a meeting of the Committee shall be two members of the Committee, of which at least one should be an INED.
- (b) At all times the members of the Committee shall be notified of and be invited to all meetings of the Committee in advance.
- (c) The (joint) company secretary shall be the secretary of the Committee and shall attend all meetings of the Committee. App 14-  
A.1.4, F.1.4
- (d) Members of the Committee may participate in a meeting of the Committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. App 14-  
A.1.7 Note

### **3. Frequency and Proceedings of Meetings**

- (a) Meetings of the Committee shall be held not less than once a year. The chairman of the Committee or any two members of the Committee may request a meeting if they consider that a meeting is necessary. Upon the receipt of such request, the secretary of the Committee shall convene a meeting as soon as reasonably practicable and having regard to the convenience of all members.
- (b) Unless otherwise agreed by all the members of the Committee, a meeting shall only be called with at least seven days' prior notice.

### **4. Committee's Resolutions**

A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more of the members of the Committee. Such resolution may be signed and circulated by fax. This provision is without prejudice to any requirement under the Listing Rules for a Board or Committee meeting to be held.

### **5. Authorities**

- (a) The Committee is authorized by the Board to review, assess and make recommendations on any issue in these terms of reference of the Committee. App 14-  
D.2.1
- (b) The Committee is authorized by the Board, and at the reasonable expense of the Company, to obtain independent legal or other independent professional advice and to secure attendance of independent professional advisers with the relevant experience and expertise if it considers this necessary to perform its duties. App 14-  
A.5.4
- (c) The Committee should make available its terms of reference explaining its role and the authority delegated to it by the Board by including them on the Exchange's website and the Company's website. The terms of reference of the Committee should be provided upon request and the role and function of the Committee shall be explained in the corporate governance report in the annual report of the Company. App 14-  
A.5.3, L.(a)

- (d) The Committee shall be provided with sufficient resources to perform its duties. App 14-A.5.4
- (e) Where the Board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe the individual should be elected and the reasons why they consider the individual to be independent. App 14-A.5.5

## 6. Duties

The duties of the Committee shall be:

- (a) to review the structure, size, composition and diversity (including without limitation, gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; App 14-A.5.2 (a)
- (b) to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of, individuals nominated for directorships. In identifying suitable candidates, the Committee shall consider candidates on merit and against the objective criteria, with due regard for the benefits of diversity on the Board; App 14-A.5.2 (b)
- (c) to assess the independence of independent non-executive directors; App 14-A.5.2 (c)
- (d) 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; App 14-A.5.2 (d)
- (e) to determine the policy, procedures and criteria for the nomination of directors;
- (f) to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board;

- (g) to conform 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 the Listing Rules or applicable law; and
- (h) to review the diversity policy of the Board, as appropriate, to review the measurable objectives that the Board has set for implementing the diversity policy of the Board and the progress of achieving the objectives, and to make disclosure of its review results in the corporate governance report annually.

App 14-  
L(d)(ii)

## **7. Reporting Procedures**

- (a) The Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements). At the next meeting of the Board following a meeting/written resolution of the Committee, the secretary of the Company shall submit to the Board copies of the minutes/written resolutions setting out the findings, recommendations and decisions of the Committee.
- (b) Full minutes of meetings of the Committee shall be kept by the secretary of the Committee. Draft and final versions of minutes of the meetings of the Committee shall be sent to all members of the Committee for their comment and records respectively, in both cases within 7 days after the meeting is held.
- (c) The Committee shall make available the chairman of the Committee (or in his absence, at least one of its members) to attend the Company's annual general meeting to answer shareholders' questions about issues.

App 14-  
D.2.2

App 14-  
A.1.4, A.1.5

App 14-  
E.1.2

## **8. Revision of the Terms of Reference**

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. Any amendment to these terms of reference shall be by way of resolution of the Board of the Company and shall be in full compliance with the Listing Rules and any other regulatory requirements.