

**Hua Hong Semiconductor Limited**  
**華虹半導體有限公司**  
(the “Company”)  
*(Incorporated in Hong Kong with limited liability)*

**TERMS OF REFERENCE FOR THE NOMINATION COMMITTEE ADOPTED BY  
BOARD RESOLUTION PASSED ON SEPTEMBER 22, 2014**

**1. MEMBERSHIP**

1.1 Members of the Nomination Committee (the “Committee”) shall be appointed by the board of directors of the Company (the “Board”).

1.2 The majority of the members of the Committee shall be independent non-executive directors.

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A5.1

**2. CHAIRMAN**

2.1 The chairman of the Committee (the “Chairman”) shall be appointed by the Board and shall either be the chairman of the Board or an independent non-executive director.

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2.2 The Chairman shall chair the meetings of the Committee.

2.3 In the absence of the Chairman, the remaining members present shall elect one of themselves to chair the meeting of the Committee.

**3. SECRETARY**

3.1 The secretary of the Company shall be the secretary of the Committee (the “Committee Secretary”).<sup>1</sup> The Committee Secretary or, in his/her absence, his/her delegate(s) or any person elected by the members present at the meeting of the Committee shall attend the meeting of the Committee and take minutes. The Committee is also entitled to from time to time appoint or remove the Committee Secretary.

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<sup>1</sup> The Committee Secretary would normally be the company secretary, although it could also be any other person duly appointed by the Committee.

#### **4. PROCEEDINGS OF THE COMMITTEE MEETING**

Unless otherwise specified hereunder, the provisions contained in the Company's Articles of Association (as amended from time to time) for regulating proceedings of directors' meetings shall apply to the meetings of the Committee.

##### **4.1 Quorum**

4.1.1 The quorum for meetings of the Committee shall be any two members.

4.1.2 The Committee Secretary meeting shall ascertain, at the beginning of the meeting, the existence of any conflict of interest and minute them accordingly. The relevant member of the Committee shall not be counted towards the quorum and he/she must abstain from voting on any resolution of the Committee in which he/she and/or his/her associates have an interest.

4.1.3 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

##### **4.2 Frequency of meetings**

4.2.1 The Committee shall meet at least once a year. Additional meetings shall be held as the work of the Committee demands.

4.2.2 In addition, the Committee's Chairman may convene additional meetings at his discretion.

##### **4.3 Attendance at meetings**

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

4.3.2 Where appropriate or required, the other directors, the head of human resources, relevant senior management and other persons(s) invited by a Committee member may attend meetings of the Committee.

#### **4.4 Notice of meetings**

4.4.1 A meeting of the Committee may be convened by any of its members or by the Committee Secretary.

4.4.2 Unless otherwise agreed by all the members of the Committee, notice of at least 7 days shall be given for a regular meeting of the Committee. For all other meetings of the Committee, reasonable notice shall be given.

4.4.3 Agenda and accompanying supporting papers shall be sent, in full, to all members of the 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).

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4.4.4 Any member of the Committee shall be entitled, by notice to the Committee Secretary, to include other matters relevant to the functions of the Committee in the agenda of a meeting of the Committee.

#### **4.5 Minutes of meetings**

4.5.1 The Committee Secretary shall record in sufficient detail the matters considered by the Committee and decisions reached, including the names of those present and in attendance and any concerns raised by any member of the Committee and/or dissenting views expressed.

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4.5.2 Draft and final versions of minutes of Committee meetings shall be sent to all Committee members for their comment and records within a reasonable time after the meeting.

App. 14  
A1.5

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

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#### **4.6 Written resolutions**

4.6.1 Unless otherwise required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), written resolution may be passed and adopted by all members of the Committee.

## 5. RESPONSIBILITIES AND AUTHORITIES OF THE COMMITTEE

5.1 The responsibilities and authorities of the Committee shall include such responsibilities and authorities set out in the relevant code provisions of the Corporate Governance Code (the “CG Code”) in relation to the responsibilities and authorities of the nomination committee as contained in Appendix 14 of the Listing Rules (as amended from time to time).

5.2 The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

5.3 The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to invite the attendance of outsiders with relevant experience and expertise if it considers this necessary.

5.4 Without prejudice to any requirement under the CG Code, the duties of the Committee include the following:

- (a) 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; App. 14  
A5.2(a)
- (b) 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; App. 14  
A5.2(b)
- (c) to assess the independence of independent non-executive directors; App. 14  
A5.2(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 of the Board and the chief executive; App. 14  
A5.2(d)
- (e) to determine the policy for the nomination of directors, the nomination procedures and the process and criteria adopted to select and recommend candidates for directorship; App. 14  
L(d) (ii)

- (f) to review the Board Diversity Policy, as appropriate, and review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress of achieving the objectives; and making disclosure of its review results in the Corporate Governance Report annually;
- (g) to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- (h) to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Company's constitution or imposed by legislation.

App. 14  
A5.6L(d) (ii)

5.5 The Committee shall be provided with sufficient resources to perform its duties and shall have access to independent professional advice, at the Company's expenses, if necessary.

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5.6 All members of the Committee shall have access to the advice and services of the company secretary, and separate and independent access to the Company's senior management for obtaining necessary information.

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## **6. REPORTING RESPONSIBILITIES**

6.1 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).

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## **7. ANNUAL GENERAL MEETING**

7.1 The Chairman or in his/her absence, another member of the Committee or failing this, his/her 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 Committee's work and responsibilities.

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***Note: If there is any inconsistency between the English and Chinese versions of this Terms of Reference, the English version shall prevail.***