

CHINA HUIZHAN DAIRY HOLDINGS COMPANY LIMITED
(formerly known as **TREASURE ALLY LIMITED**)
中國輝山乳業控股有限公司(前稱匯寶有限公司)
(Incorporated in Cayman Islands with limited liability)

(the “**Company**”)

TERMS OF REFERENCE
OF THE NOMINATION COMMITTEE
ADOPTED BY THE BOARD ON 5 SEPTEMBER 2013-

1. Membership

- (a) The Nomination Committee (the “**Committee**”) is chaired by the chairman of the board of directors (the “**Board**”) or an INED and comprises a majority of 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 “**Listing Rules**”) as amended from time to time.
- (b) Members of the Committee shall be appointed and removed by the Board. The term of the members of the Committee is the same as that of directors and the members may be re-elected upon the expiry of the current term. During the term, if any member of the Committee ceases to hold office as a director or an INED of the Company, he/she shall automatically lose the qualification as a member of the Committee. In this case, the Board shall appoint another member promptly to meet the quorum of the Committee according to the aforesaid provisions.
- (c) The secretary of the Committee shall be appointed by members of the Committee.

2. Attendance at Meetings

- (a) The quorum of a meeting of the Committee shall be two thirds of the members of the Committee, of which at least half of them should be INEDs. The chairman (or in his or her absence, a member designated by the chairman) shall preside over all meetings of the Committee. The chairman shall be responsible for leading the Committee, including scheduling meetings, preparing agendas and making regular reports to the Board. The chairman of the Committee shall not chair a Committee meeting which deals with the succession to the chairmanship. If for any reason a member of the Committee is unable to attend a meeting, he/she may entrust in writing another member of the Committee to exercise his/her power. Resolutions of the Committee shall be valid when adopted by more than two-thirds of the members.
- (b) At all times the chairman of the Board shall be notified in advance of all meetings of the Committee.
- (c) Members of the Committee may participate in a meeting of the Committee by means of meetings or through 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.

3. Frequency 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. Committee meetings shall be arranged by the secretary of the Committee upon instruction of the chairman of the Committee.
- (b) Unless otherwise agreed by all the members of the Committee, a meeting shall only be called with at least 7 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 has 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 facsimile or other forms of electronic communications. 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 authorised by the Board to review, assess and make recommendations on any issue in these terms of reference of the Committee.
- (b) The Committee is authorised by the Board, where necessary, to seek independent professional advice, at the Company's expense, in the performance its responsibilities.
- (c) The Committee shall make available its terms of reference on the website of the Hong Kong Stock Exchange and the Company's website to explain its role and the authority delegated to it by the Board.
- (d) The Committee shall be provided with sufficient resources to perform its duties.
- (e) Where the Board proposes a resolution to elect an individual as an INED at the shareholders 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.

6. Duties

The duties of the Committee shall be:

- (a) to review the structure, size, composition and diversity (including gender, age, cultural and education background, ethnicity, skills, knowledge and experience) of the Board at least annually and to make recommendations on any proposed changes to the Board to complement the corporate strategy of the Company;
- (b) to develop the criteria for identifying and assessing the qualifications of and evaluating candidates for directorship, including but not limited to assessing the balance of skills, knowledge and experience as well as diversification of Board members, and based on the assessment results, to prepare a description of the roles and capabilities required for individual appointments;
- (c) identify individuals suitably qualified to become members of the Board and to select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (d) to assess the independence of INEDs;
- (e) 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;
- (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 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 the Listing Rules or applicable law; and
- (h) 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 make disclosure of its review results in the Corporate Governance Report annually.

7. Reporting Procedures

- (a) The Committee shall report to the Board. 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 meetings of the Committee shall be sent to all members of the Committee for their comment and records respectively, in both cases as soon as practicable after the meetings.
- (c) Copies of the minutes of meetings of the Committee shall be provided to the directors at the Board meetings.
- (d) The Committee shall arrange at least one of its members to attend the annual general meeting to answer questions of the shareholders about the Committee's work.

8. Availability and Update of These Terms of Reference

These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and in regulatory requirements (e.g. the Listing Rules). 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.