

海東青新材料集團有限公司\*

COSTIN New Materials Group Limited

---

Terms of Reference of the  
Nomination Committee under  
The Board of Directors

---

*\*For identification purpose only*

海東青新材料集團有限公司\*

**COSTIN New Materials Group Limited**

*(Incorporated in the Cayman Islands with limited liability)*

Terms of reference of the  
Nomination Committee under  
The Board of Directors

**1. Constitution of the Company**

On 12 May 2010, the board (the “Board”) of directors (the “Directors”) of COSTIN New Materials Group Limited (the “Company”) passed a resolution for establishing a committee of the Board known as the Nomination Committee.

**2. Membership**

- 2.1 Members of the Nomination Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than three members, the majority of whom shall be independent non-executive Directors.
- 2.2 The chairman of the Nomination Committee shall be appointed by the Board and must be the chairman of the Board or an independent non-executive Director.

**3. Secretary of the Nomination Committee**

The Company Secretary or a person to be appointed by the Nomination Committee from time to time shall be the secretary of the Nomination Committee.

**4. Meeting**

- 4.1 Meetings of the Nomination Committee should be held at least once a year. Additional meetings should be held as and when the work of the Nomination Committee demands.
- 4.2 Where necessary, the chairman of the Nomination Committee may convene additional meetings at his discretion.
- 4.3 The quorum of the Nomination Committee shall be at least two members of the Nomination Committee. All provisions under the Articles of Association of the Company governing the procedures of meetings of the Board shall, mutatis mutandis, be applicable to governing the meetings of the Nomination Committee and procedures thereof.

- 4.4 Members of the Nomination Committee shall, prior to each meeting, declare their respective interests in the matters to be considered on such respective meetings. If a member of the Nomination Committee or his associate(s) (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)) is/are materially interested in the matters to be considered on the meeting, the member shall have no voting rights and his attendance shall not be counted towards the quorum.
- 4.5 Minutes of meetings of the Nomination Committee should record in sufficient detail the matters considered by members of the Nomination Committee and decisions reached, including any concerns raised by members of the Nomination Committee or dissenting views expressed. Draft and final versions of minutes of meetings of the Nomination Committee should be sent by the secretary of the Nomination Committee to all members of the Nomination Committee for their comment and records within a reasonable time after the meeting is held. Full minutes of meetings of the Nomination Committee shall be kept by the secretary of the Nomination Committee and signed minutes shall be submitted to the Board.

## **5. Authority**

- 5.1 The Nomination Committee is granted by the Board the rights to investigate any matter within these terms of reference. It is entitled to seek any information it requires from any employee of the Company and all employees of the Company shall co-operate with any request made by the Nomination Committee.
- 5.2 The Nomination Committee should be provided with sufficient resources to perform its duties and have access to independent professional advice, at the expense of the Company, to fulfill its responsibilities.
- 5.3 The Secretary of the Nomination Committee is authorized by the Board to seek any information required for discharging its duties.

## **6. Duties**

- 6.1 The duties of the Nomination Committee shall be:
- (a) 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;
  - (b) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
  - (c) assess the independence of independent non-executive Directors;

- (d) 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;
- (e) do any such things to enable the Nomination Committee to discharge its powers and functions conferred on it by the Board; and
- (f) conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Articles of Association of the Company or imposed by legislation.

6.2 The Nomination 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 websites of The Stock Exchange of Hong Kong Limited and the Company.

## **7. Annual General Meeting**

At the request of the Board, the chairman of the Nomination Committee or, in his absence, another member of the Nomination Committee or his duly appointed delegate, shall attend the annual general meetings of the Company to be available to answer questions at the annual general meeting.

## **8. Reporting Procedures**

The Nomination Committee shall report to the Board on a regular basis. At the next Board meeting following a Nomination Committee's meeting, the Nomination Committee's chairman shall report the Nomination Committee's findings and recommendations to the Board.

Board of Directors of

COSTIN New Materials Group Limited

March 2012