



FOREBASE INTERNATIONAL HOLDINGS LIMITED

申基國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 2310)

TERMS OF REFERENCE OF NOMINATION COMMITTEE

Constitution

1. The board of directors (the “Board”) of Kwang Sung Electronics H.K. Co. Limited (the “Company”) hereby resolves to establish a committee of the Board to be known as the Nomination Committee (the “Nomination Committee”).

Membership

2. Members of the Nomination Committee shall be appointed by the Board.
3. The Nomination Committee shall consist of not less than three members. The majority of the members shall be independent non-executive directors.
4. Chairman of the Nomination Committee shall be appointed by the Board and shall be the chairman of the Board or an independent non-executive director.

Quorum and voting at meetings

5. The quorum of the Nomination Committee shall be any two members. If only two members are in attendance, both members shall be independent non-executive directors. If more than two members are in attendance, a majority of the members shall be independent non-executive directors.
6. Questions arising at any meetings shall be decided by a simple majority of votes.

Attendance at meetings

7. Meetings could be held in person or through other electronic means of communication, by which all persons participating in the meeting are capable of hearing each other.
8. At the invitation of the Nomination Committee, the chairman of the Board and/or chief executive officer, external advisers and other persons may be invited to attend all or part of any meeting.
9. The company secretary of the Company or any other person with appropriate qualification and experience as appointed by the Nomination Committee from time to time shall be the secretary of the Nomination Committee.
10. Only members of the Nomination Committee are entitled to vote at the meetings.

Frequency of the meetings

11. At least one meeting will be held each year provided that any ad hoc meetings shall be convened as and when deemed necessary.

Notice of meetings

12. Meetings of the Nomination Committee shall be convened by the secretary of the Nomination Committee at the request of any of its members.
13. Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be sent to each member of the Nomination Committee, and to any other person required to attend:
 - (a) in relation to all regular meetings of the Nomination Committee, at least 14 days before the date of the meeting; and
 - (b) in relation to all other meetings of the Nomination Committee, within a reasonable time prior to the date of the meeting.
14. An agenda of items to be discussed, together with supporting papers shall be sent to Nomination Committee members and to other attendees as appropriate within a reasonable time prior to the date of the meeting.
15. Any member of the Nomination Committee shall be entitled, by notice to the secretary of the Nomination Committee, to include other matters relevant to the functions of the Nomination Committee in the agenda of a Nomination Committee meeting.

Minutes of meetings

16. The secretary of the Nomination Committee (or his/her delegate) in attendance at the meetings of the Nomination Committee shall prepare minutes in sufficient detail of the proceedings and resolutions of all such meetings, including the names of those present and in attendance. The minutes should also include any concerns raised by any member of the Nomination Committee and/or dissention views expressed.
17. The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and record such (if any) accordingly. Any member of the Nomination Committee ascertained by the secretary to have any conflict of interest shall not be counted towards the quorum and he/she must abstain from voting on any resolution of the Nomination Committee in which he/she and/or his/her associates has/have a material interest.
18. Draft and final versions of minutes of Nomination Committee meetings shall be sent to all Nomination Committee members for their comments and records respectively, in both cases within a reasonable time after the meeting. Once they are agreed, the secretary of the Nomination Committee shall circulate the minutes and reports of the Nomination Committee to all members of the Board.
19. Minutes of the Nomination Committee meetings shall be kept by the secretary of the Nomination Committee and shall be available for inspection by any member of the

Nomination Committee and/or any director of the Company at any reasonable time on reasonable notice.

Annual general meetings

20. 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.

Authority

21. The Nomination Committee shall be provided with sufficient resources to discharge its duties.
22. The Nomination Committee is authorised by the Board to obtain external independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Duties

23. The duties of the Nomination Committee include:
 - (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;
 - (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;
 - (c) to assess the independence of independent non-executive directors;
 - (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;
 - (e) to 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 reason why they consider him to be independent where the Board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, and
 - (f) to exercise such other powers, authorities and discretions, and perform such other duties, of the directors in relation to the nomination of directors as the Board may from time to time delegate to it, having regard to the Corporate Governance Code.

Reporting Procedures

24. The Nomination Committee shall 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 findings and recommendations of the Nomination Committee.

March 2013