

SMIT Holdings Limited (the Company)

Nomination Committee Terms of Reference Adopted by the Board on 6 March 2016

1 Constitution

The board of directors of the Company (the **Board**) hereby constitutes and establishes a nomination committee (the **Nomination Committee**) with authority, responsibility, and specific duties as described below.

2 Membership

The Nomination Committee shall be appointed by the Board and a majority of the members of the Nomination Committee shall be independent non-executive directors. The members of the Nomination Committee shall appoint its Chairman who should either be an independent executive-director or the chairman of the Board. The Nomination Committee shall consist of at least three members. A quorum shall be two members, one of whom should be an independent non-executive director. A.5.1

3 Secretary

The secretary of the Nomination Committee (the **Secretary**) shall be the company secretary of the Company or any other person designated as such by the Nomination Committee from time to time.

4 Authority

4.1 The Nomination Committee is authorised by the Board to investigate any activity within this 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 Nomination Committee.

4.2 The Nomination Committee shall be provided by the Company with sufficient resources to perform its duties and is authorised by the Board to obtain, at the Company's expense, independent professional advice necessary for the performance of its responsibilities. A.5.4

5 Duties

5.1 The duties of the Nomination Committee include: A.5.2

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| (a) | to review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; | A.5.2
(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; in identifying suitable candidates, the Nomination Committee shall consider candidates on merit and against the objective criteria, with due regard for the benefits of diversity on the Board and the Company's Board Diversity Policy (Board Diversity Policy); | A.5.2
(b)

A.5.6 |
| (c) | to assess the independence of the independent non-executive directors of the Company; | 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, taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future; | A.5.2
(d)

A.5.4 |
| (e) | to seek independent professional advice to perform its responsibilities where necessary; | |
| (f) | to report back to the Board on its decisions or recommendations (unless there are legal or regulatory restrictions on its ability to do so) and to prepare a summary of its work during the year for inclusion in the Company's corporate governance report (including a report on the policies, procedures, process and criteria it has adopted to select and recommend candidates for directorship during the year); and | D.2.2
L.(d)(ii) |
| (g) | to review the Board Diversity Policy (as appropriate) and monitor its implementation, review the progress on achieving any measurable objectives which have been set for implementing the Board Diversity Policy and to make disclosure of its review results in the Company's corporate governance report. | L.(d)(ii) |

6 Frequency of meetings

The Nomination Committee shall meet as least once per year. Additional meetings shall be held as the work of the Nomination Committee or circumstances require. The Chairman may convene additional meetings at his discretion.

7 Attendance

- 7.1 As necessary or desirable, the Chairman may request that members of management or the human resources department to be present at the meeting of the Nomination Committee.
- 7.2 Meetings may be held by way of telephone conference

8 Minutes

Full minutes of the Nomination Committee meeting shall be kept by the Secretary. The Secretary shall send the draft and final version of the minutes to all committee members for their comment and records within a reasonable time after the meeting.

9 General

- 9.1 The Nomination Committee should make available these terms of reference, explaining its role and the authority delegated to it by the Board, by including them on the website of the Stock Exchange of Hong Kong Limited and the website of the Company. A.5.3
- 9.2 The Chairman of the Nomination Committee (in his absence, another member of the Nomination Committee) shall make himself available to attend the annual general meetings of the Company to answer questions thereat. E.1.2