

**NOVO GROUP LTD.**  
**(the “Company”)**

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**NOMINATING COMMITTEE**  
**TERMS OF REFERENCE**

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**Purpose**

1. The nominating committee’s (“NC”)’s function shall be to identify candidates and review all nominations, whether by any Director, member of otherwise, for the appointment or re-appointment of members of the board (“**Board**”) of directors of the Company (“**Directors**”).

**Composition**

The NC shall comprise not less than 3 Directors, a majority of which should be independent non-executive Directors.

2. Where, by virtue of any vacancy in the membership of the NC for any reason, the number of members of the NC is reduced to less than 3, the Board shall, within 3 months thereafter, appoint such number of new members to the NC as may be required to make up the minimum number of 3. Any new member appointed shall hold office for the remainder of the term of office of the member of the NC in whose place he is appointed.

**Meetings**

3. The chairman and members of the NC shall be appointed by the Board.
4. The NC may regulate its own procedures and in particular the calling of meetings, the notice to be given by such meetings, the voting and proceedings thereat. The secretary shall on the requisition of a member of the NC, summon a meeting of the members.
5. Seven days’ notice or such shorter notice as may be agreed by members, will be given by the secretary, specifying the place, time and agenda of the meeting.
6. The quorum necessary for the transaction of the business of the NC shall be 2, provided that a majority shall be independent.
7. If, at any meeting, the chairman is not present within 15 minutes after the time appointed for holding the meeting, the members present may choose one of the other independent members to be chairman of the meeting.

8. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote.
9. A resolution in writing, signed by a majority of the members for the time being entitled to receive notice of a meeting of the NC (of which a majority shall be independent), shall be valid as effectual as if it had been passed at a meeting of the NC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.
10. Minutes of all proceedings of meetings of the NC shall be recorded by the secretary and circulated to all the members. The minutes are to be signed by the chairman of the meeting. The minute books shall be kept by the secretary and shall be open for inspection by any Director of the Company's Board.
11. The chairman of the NC shall report on the proceedings of the NC to the Board by way of submission of minutes of the committee meetings or by such other mode as the chairman shall in his discretion deem fit.
12. The company secretary or some other person as resolved from time to time by the NC shall be the secretary of the NC.

#### **Authority**

13. The NC may exercise the following powers:
  - (a) to seek any information it requires from any employee of the Company and its subsidiaries (together, the "**Group**") and any professional advisers in order to perform its duties, to require any of them to prepare and submit reports and to attend NC meetings and to supply information and address the questions raised by the NC;
  - (b) to review the performance of the Directors and the independence of independent non-executive Directors in relation to their appointment or reappointment as Directors;
  - (c) to obtain, at the Company's expenses, outside legal or other independent professional advice on or assistance to any matters within these terms of reference, including the advice of independent human resource consultancy firm or other independent professionals, and to secure the attendance of outsiders with relevant experience and expertise at its meetings if it considers this necessary. The NC shall have full authority to commission any search (including without limitation litigation, bankruptcy and credit searches), report, survey or open recruitment which it deems necessary to help it fulfill its duties and should be provided with sufficient resources to discharge its duties;

- (d) to review annually these terms of reference and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary;
- (e) to exercise such powers as the NC may consider necessary and expedient so that their duties herein below can be properly discharged; and
- (f) The NC should be provided with sufficient resources to discharge its duties.

## **Responsibilities**

14. The principal responsibilities of the NC shall be to:
- (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 on an annual basis;
  - (d) make recommendations to the Board on the appointment or re-appointment of Directors, having regard to each individual Director's contribution and performance and succession planning for Directors, in particular the chairman and the chief executive;
  - (e) make recommendations to the Board to convene a shareholders' meeting for purposes of revoking the appointment of any Director and to dismiss any employees if there is evidence showing that the relevant Director and/or employee has failed to discharge his duties properly;
  - (f) review and recommend to the Board the criteria for identifying candidates and reviewing nominations for the appointments referred to in paragraph 1. The criteria shall include the followings:
    - (i) at least one-third of Directors shall be independent Directors.
    - (ii) the candidate shall be a fit and proper person to hold such office, and the most qualified candidate nominated for the office, taking into account the candidate's track record, age, experience, capabilities and other relevant factors.

- (iii) How the Board' performance may be evaluated and propose objective performance criteria. The performance criteria should allow comparison with its industry peers and address how the Board has enhanced long-term shareholders' value.

14B. Evaluate the effectiveness of the Board as a whole and that of the contribution of each individual Director to the effectiveness of the Board.