



CONTINENTAL

HOLDINGS LIMITED

恒和珠寶集團有限公司

(incorporated in Hong Kong with limited liability)
(the “Company”)
(Stock Code: 00513)

TERMS OF REFERENCE OF NOMINATION COMMITTEE

Adopted on 22 March 2013 and revised on 5 September 2013

1. Constitution

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

2. Nomination Committee

2.1 Membership

- 2.1.1 Members of the Nomination Committee shall be appointed by the Board from amongst the directors of the Company only and shall consist of not less than three members, the majority being independent non-executive directors of the Company.
- 2.1.2 The Board shall nominate one of the members as the Chairman of the Nomination Committee who shall be an independent non-executive director or the Chairman of the Board. Members of the Nomination Committee shall be nominated by the Chairman of the Board and shall be appointed by the Board through election.
- 2.1.3 The Company Secretary of the Company or a nominee shall act as the Secretary of the Nomination Committee.
- 2.1.4 The appointment of the members and secretary of the Nomination Committee may be revoked or additional members may be appointed to the Nomination Committee by separate resolutions passed by the Board.

3. Proceedings of the Nomination Committee

3.1 Notices

- 3.1.1 Unless otherwise agreed by all the Nomination Committee members, a meeting of the committee shall be called by at least seven (7) days' notice.
- 3.1.2 A member of the Nomination Committee may and, on the request of a member of the Nomination Committee, the secretary to the Nomination Committee shall, at any time summon a meeting of the Nomination Committee. Notice shall be given to each member of the Nomination Committee in person orally or in writing or by telephone or by email or by facsimile transmission at the telephone or facsimile or address or email address from time to time notified to the secretary by such member of the Nomination Committee or in such other manner as the members of Nomination Committee may from time to time determine.
- 3.1.3 Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.
- 3.1.4 Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Nomination Committee for the purpose of the meetings.

3.2. Quorum

The quorum of a meeting shall be two members of the Nomination Committee.

3.3. Attendance of meetings by non-members

Other members of the Board, apart from the members of the Nomination Committee, have the right to attend any meetings of the Nomination Committee, though they shall not be counted in the quorum.

3.4. Frequency of meetings

Meeting shall be held at least once every year. The members of the Nomination Committee may call any meetings at any time when necessary.

4. Minutes of meetings

- 4.1 Draft and final versions of minutes of Nomination Committee meetings shall be sent to all Nomination Committee members for their comment and records within a reasonable time after the meeting.

- 4.2 Minutes of the Nomination Committee shall be kept by the company secretary and shall be available for inspection by any member of the Nomination Committee or the Board at any reasonable time on reasonable notice.

5. Written resolutions

Resolutions may be passed by all members of the Nomination Committee in writing.

6. Alternate members

A member of the Nomination Committee may not appoint any alternate.

7. Authority

The Nomination Committee may exercise the following powers:

- (a) to make full use of intermediary agencies for identifying qualified director candidates at the Company's expenses;
- (b) to conduct interviews with prospective candidates for nomination; and
- (c) the Nomination Committee should be provided with sufficient resources to discharge its duties.

8. Duties

The duties of the Nomination Committee shall include the following:

- (a) to review and monitor the structure, size and composition (including the skills, knowledge and experience) of the Board to complement the Company's corporate strategy at least annually;
- (b) to identify and nominate qualified individuals for appointment as additional Directors or to fill Board vacancies as and when they arise;
- (c) to make recommendations to the Board on matters relating to the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive Officer;
- (d) to assess the independence of independent non-executive directors;
- (e) to report back to the Board on decisions or recommendations made, unless there are legal or regulatory restrictions to do so;

- (f) to review board diversity policy (the "Board Diversity Policy") of the Company, as appropriate; review measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and make disclosure of its review results in the corporate governance report annually; and
- (g) where the Board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, the Nomination Committee should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe he should be elected and the reasons why they consider him to be independent.

9. Powers of the Board

The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules or, if adopted by the Company, the Company's own code of corporate governance practice) amend, supplement and revoke these Regulations and any resolution passed by the Nomination Committee provided that no amendments to and revocation of these Regulations and the resolutions passed by the Nomination Committee shall invalidate any prior act and resolution of the Nomination Committee which would have been valid if these Regulations or resolution had not been amended or revoked.

Note: If there is any inconsistency between the English and Chinese versions of these terms of reference, the English version shall prevail.