

**MEGALOGIC TECHNOLOGY HOLDINGS LIMITED**

宏創高科集團有限公司

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

**(Stock Code: 8242)**

(the “Company”)

**TERMS OF REFERENCE OF NOMINATION COMMITTEE**

(The Company established the Nomination Committee on 23 December 2011)

**AUTHORITY**

1. The Nomination Committee shall have unrestricted access to other members of the board of directors (“Board”), senior management, the qualified accountant and internal controller in execution of its duties and responsibilities. All relevant employees will be directed to co-operate with any request made by the Nomination Committee.
2. The Nomination Committee is authorised to obtain independent professional advice in accordance with the procedures adopted by the Company from time to time and to secure the attendance of any external professional with relevant experience and expertise if necessary.

**RESPONSIBILITIES**

3. The Nomination Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it required from any employee and all employees are directed to co-operate with any request made by the Nomination Committee. The Nomination Committee should be provided with sufficient resources to perform its duties.

The Nomination Committee shall have the following responsibilities:-

- (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; and
- (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 of the Company.
- (e) where the Board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why the Nomination Committee believes he should be elected and the reasons why the Nomination Committee considers him to be independent.

## **MEETINGS**

- 4. The Nomination Committee shall meet at least once a year.
- 5. A quorum of the meeting shall be two members.
- 6. Resolutions of the Nomination Committee at any meeting shall be passed by a majority of votes of members if more than two members are present and by a unanimous vote if only two members are present.

## **NOMINATION COMMITTEE'S RESOLUTIONS**

- 7. A resolution in writing signed by all the members of the Nomination Committee shall be as valid and effective as if it had been passed at a meeting of the Nomination Committee and may consist of several documents in like form each signed by one or more of the members of Nomination Committee. Such resolution may be signed and circulated by facsimile or other forms of electronic communications. This provision is without prejudice to any requirement under Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") for a meeting of the Board or Nomination Committee to be held.

## **REPORTING PROCEDURES**

8. (a) The Nomination Committee shall report to the Board. At the next meeting of the Board following a meeting of the Nomination Committee, the Chairman of the Nomination Committee shall report their decisions and recommendations of the Nomination Committee to the Board.
- (b) Full minutes of meetings of the Nomination Committee shall be kept by the secretary of the Nomination Committee. Draft and final versions of minutes of meetings of the Nomination Committee shall be sent to all members of the Nomination Committee for their comment and records respectively, in both cases within 7 days after the meeting.
- (c) Copies of the minutes of meetings of the Nomination Committee shall be provided to the Board at its meetings.
- (d) The Nomination Committee shall make available at least one of its members to attend the Company's annual general meeting to answer shareholders' questions about nomination related issues.

## **REVISION OF THE TERMS OF REFERENCE**

9. These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements (e.g. the GEM Listing Rules).

Hong Kong, 26 March 2012