



APPLIED DEVELOPMENT HOLDINGS LTD.

實力建業集團有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock code: 519)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

Purpose

1. The purpose of the Nomination Committee is to assist the board of directors (the “Board”) of Applied Development Holdings Limited (the “Company”) in identification of suitable individuals qualified to become board members and senior management, review the structure, size and diversity of the Board and senior management and make recommendations on any proposed changes to the Board and senior management to complement the Company’s corporate strategy.

Composition

1. The Nomination Committee shall be appointed by the Board from time to time and shall consist of not less than three directors, a majority of which shall be independent non-executive directors who shall meet and maintain the independence requirements from time to time as stipulated in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.
2. The Board shall appoint one member of the Nomination Committee (who shall be the chairman of the Board or an independent non-executive director) as the chairman of the Nomination Committee (the “Chairman”). A quorum should be two members.
3. The company secretary of the Company shall be the secretary of the Nomination Committee. The Nomination Committee may from time to time appoint any other person with appropriate qualifications and experience as the secretary of the Nomination Committee.

Meetings

1. The Nomination Committee shall meet at least annually or more frequently if circumstances require.
2. The Chairman (or in his or her absence, a member designated by the other members of Nomination Committee) shall preside at all meetings of the Nomination Committee. The Chairman shall be responsible for leading the Nomination Committee, including scheduling and conducting meetings in accordance with all applicable laws and regulations and the Bye-laws, preparing agendas and making regular reports to the Board. A quorum for meetings of the Nomination Committee shall be two members.

Access

1. The Nomination Committee should be provided by the Company with sufficient resources to perform its duties. Where necessary, the Nomination Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

Reporting Procedures

1. The Nomination Committee shall evaluate and assess the effectiveness of the Nomination Committee and the adequacy of the Terms of Reference of the Nomination Committee on an annual basis and recommend any proposed changes to the Board.
2. Minutes of meetings of the Nomination Committee and the record of individual attendance at such meetings shall be prepared by the company secretary of the Company which shall be sent to all members of the Board as soon as practicable after the conclusion of any meeting of the Nomination Committee.

Responsibilities and Duties

The Nomination Committee shall perform the following duties: –

1. review the structure, size and diversity (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;
2. identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
3. assess the independence of independent non-executive directors and 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 they believe he should be elected and the reasons why they consider him to be independent;
4. 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; and
5. review the Board diversity policy[#], as appropriate; and make disclosure of its review results in the Corporate Governance Report annually.

Authority

1. The Nomination Committee is established as a committee of the Board pursuant to bye-law 120(1) of the Bye-laws and the provisions in the Bye-laws regulating meetings and proceedings of the Directors shall apply mutatis mutandis to meetings and proceedings of the Nomination Committee.
2. The Nomination Committee is authorised by the Board to obtain professional advice and assistance from internal or external legal, accounting or other advisors at the expense of the Company if necessary.

Board Diversity Policy

The Company is committed to equality of opportunity in all aspects of its business and does not discriminate on the grounds of race, gender, disability, nationality, religious or philosophical belief, age, sexual orientation, family status or any other factor.

The Company continuously seeks to enhance the effective of its Board and to maintain the highest standards of corporate governance and enhance the benefits of diversity in the boardroom. The Company sees diversity as a wide concept and believes that a diversity of perspectives can be achieved through consideration of a number of factors, including but not limited to skills, regional and industrial experiences, background, race, gender and other qualities. In infusing its perspective on diversity, the Company will also take into account facts based on its own business model and specific needs from time to time.

The Company endeavours to ensure that its Board has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy and in order for the Board to be effective.

Board appointments will continue to be made on a merit basis and candidates will be considered against objective criteria, with due regard for the benefits of diversity on the Board. The Board believes that such merit-based appointments will best enable the Company to sure its shareholders and other stakeholders going forward.

The Nomination Committee is primary responsible for identifying suitably qualified candidates to become members of the Board and in carrying out this responsibility will give adequate consideration to this Policy.

The Company will review this Policy on a regular basis to ensure its continued effectiveness. In addition, the Company will disclosed details of this Policy and any measureable objectives it has set itself in this regard in the Corporate Governance Report set at its Annual Report.

(Adopted by the Board on 26 September 2013)

** for identification purpose only*