



ALCO HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Website: <http://www.alco.com.hk>

(Stock Code: 328)

Terms of Reference of the Nomination Committee

1. Constitution

- 1.1 The Nomination Committee was established pursuant to a resolution passed by the board of directors (the “**Board**”) of Alco Holdings Limited (the “**Company**”) in its meeting held on 2 March 2012.

2. Membership

- 2.1 The members of the Nomination Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members, a majority of whom shall be independent non-executive directors.
- 2.2 The Board shall appoint the Nomination Committee chairman (the “**Committee Chairman**”) who shall be the chairman of the Board or an independent non-executive director. In the absence of the Committee Chairman, the remaining members present shall elect one of themselves (who shall be the chairman of the Board or an independent non-executive director) to chair the meeting.

3. Meetings

- 3.1 The Nomination Committee shall meet as and when required and at least once a year.
- 3.2 The quorum of the Nomination Committee meeting shall be two.
- 3.3 Other Board members shall also have the right of attendance.
- 3.4 Meetings could be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.

4. Company Secretary

- 4.1 The company secretary of the Company (the “**Company Secretary**”) shall be the secretary of the Nomination Committee.

5. Authority

- 5.1 The Company shall provide the Nomination Committee with sufficient resources to perform its duties, including but not limited to obtaining independent professional advice, at the expense of the Company if necessary.

6. Responsibilities and Duties

The Nomination Committee shall perform the following duties:

- 6.1 to review the structure, size, diversity and composition (including the gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually and make recommendation on any proposed changes to the Board to complement the Company's corporate strategy and with due regard to the board diversity policy of the Company (the "**Board Diversity Policy**");
- 6.2 to review the Board Diversity Policy, as appropriate; and make disclosure of its review results in the Company's corporate governance report annually.
- 6.3 to review the procedures for nomination for appointment as director (the "**Procedures for Nomination for Appointment as Director**") of the Board as appropriate, and recommend any changes for the Board's approval.
- 6.4 identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships, having due regard to the Board Diversity Policy and the Procedures for Nomination for Appointment as Director;
- 6.5 to assess the independence of independent non-executive directors by reference to the requirements and criteria under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and
- 6.6 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.

7. Reporting Procedures

- 7.1 Full minutes of the Nomination Committee meetings should be kept by the Company Secretary.
- 7.2 The Company Secretary shall circulate the draft and final versions of minutes of meetings of the Nomination Committee to all members of the Nomination Committee for their comment and records respectively, as soon as practicable after the conclusion of any meeting of the Nomination Committee.