

**Shui On Construction and Materials Limited**  
**(the “Company”)**  
**Nomination Committee**  
**Terms of reference**

**(1) Objectives:**

To provide a formal and transparent framework for the process of identifying, evaluating and appointing new directors to the board.

**(2) Membership:**

The committee shall consist of at least 3 members to be appointed by the board, the majority of whom shall be independent non-executive directors.

The chairman of the committee shall be appointed by the board.

The company secretary serves as secretary to the committee. The committee may invite any director, executive or other person to attend any meeting of the committee as it may from time to time consider appropriate or necessary to assist the committee in the attainment of its objective.

**(3) Authority:**

The committee is authorised by the board to:

- (i) make full use of intermediary agencies for identifying qualified candidates at the Company’s expense;
- (ii) conduct interviews with prospective candidates for nomination or after they are nominated;
- (iii) obtain outside professional advice where necessary; and
- (iv) invite the selected candidate to join in one or more of the board committees.

**(4) Duties:**

- (a) To review the size and composition (including the skills, knowledge and experience of the members) of the board from time to time and make recommendations to the board regarding any proposed changes;
- (b) To identify individuals suitably qualified to be appointed as 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 on its appointment or when their independence is called into question;
- (d) To make recommendations to the board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive officer;
- (e) To make recommendations to the board on the membership of board committees e.g. audit committee and remuneration committee, in consultation with the chairman of the board and the chairman of such committee, as appropriate;
- (f) To make recommendations to the board on any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the law and their service contracts;
- (g) To review annually the time commitment required of the non-executive directors and to evaluate whether the non-executive directors have committed adequate time to discharge their responsibilities as non-executive directors; and
- (h) To implement and oversee periodic performance evaluation of the board and its committees.

**(5) Meetings:**

Frequency : on an as needed basis.

Quorum : two members, one of whom shall be independent non-executive director

The meetings and proceedings of the committee are governed by the provisions contained in the Bye-laws of the Company for regulating the meetings and proceedings of directors.

The company secretary, or in her absence, her delegate, shall act as the secretary to the committee and must ensure that full minutes are kept of all meetings.

Minutes of the committee meetings shall be circulated to all members of the committee and made available upon request to other members of the board.

(Adopted on 16 September 2008)