



**VARITRONIX INTERNATIONAL LIMITED**  
**(the “Company”)**

**Terms of Reference**  
**of**  
**Nomination Committee**  
**(the “Committee”)**

**1. Background**

1.1 The Committee is responsible for determining the policy for the nomination of directors, performed by the Committee or the board of directors (the “Board”) (if there is no Committee) during the year. The nomination procedures and the process and criteria adopted by the Committee or the Board (if there is no Committee) to select and recommend candidates for directorship during the year;

**2. Membership**

2.1 The Committee shall be chaired by the chairman of the Board or an independent non-executive director and comprises a majority of independent non-executive directors.

2.2 The company secretary of the Company or his/her nominee shall act as the secretary of the Committee.

**3. Proceedings**

3.1 The quorum necessary for the meeting of the Committee shall be 2.

3.2 The Committee chaired by the chairman of the Board or an independent non-executive director.

3.3 Proceedings of meetings of the Committee shall be governed by the provisions contained in the Bye-laws of the Company.

**4. Duties**

The duties of the Committee shall include the following:-

- 4.1 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;
- 4.2 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;
- 4.3 to assess the independence of independent non-executive directors; and
- 4.4 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.

## **5. Authorities**

- 5.1 The Committee should be provided with sufficient resources to perform its duties.
- 5.2 The Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities, where necessary.

## **6. Reporting Procedures**

- 6.1 The secretary of the Committee shall circulate the minutes of meetings or resolutions in writing of the Committee to all members of the Board.

Where any discrepancy arises between the Chinese translation and the original English version, the English version shall prevail.