

GOOD FRIEND INTERNATIONAL HOLDINGS INC.

友佳國際控股有限公司

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

(Effective on 1 April 2012)

Good Friend International Holdings Inc.
友佳國際控股有限公司
(the “Company”)

**Terms of reference of the Nomination Committee (the “Committee”)
of the Board of Directors (the “Board”) of the Company**

1. Constitution

- 1.1 The Committee is established pursuant to a resolution passed by the Board at its meeting held on 22 December 2005.

2. Membership

- 2.1 Members of the 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 Chairman of the Committee should be an independent non-executive director.
- 2.3 The secretary of the Company or in his absence his representative shall be appointed by the Board to be the Secretary of the Committee.

3. Proceedings of the Committee

3.1 Notice of Meeting:

- (a) Unless otherwise agreed by all the Committee members, a meeting shall be convened by at least seven days’ notice.
- (b) A Committee member may at any time summon a Committee meeting.
- (c) Notice shall be given to each Committee member in person orally or in writing or by telephone or by facsimile transmission or email at numbers or addresses from time to time notified to the secretary of the Company by such Committee member or in such other manner as the Committee members may from time to time determine.
- (d) Any notice given orally shall be followed by confirmation in writing as soon as practicable before the meeting.

- (e) Notice of meeting shall state the date, time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting.

3.2 **Quorum:** The quorum of the Committee meeting shall be two members of the Committee.

3.3 Other Board members shall also have the right of attendance.

4. **Written resolutions**

4.1 Written resolutions may be passed by all Committee members in writing.

5. **Alternate Committee members**

5.1 A Committee member may not appoint any alternate.

6. **Authority of the Committee**

6.1 The Committee has the authority delegated to it from the Board to deal with the matters set out in clauses 7.1(a) – (d) below and to seek any necessary information which is within the Committee's scope of duties from the employees.

6.2 The Committee is authorized by the Board to obtain, at the Company's expense, outside independent professional advice, on any matters within its terms of reference.

7. **Duties**

7.1 The duties of the Committee shall be:

- (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually on a regular basis and make recommendations on any proposed changes 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 of the Company;

(d) to make recommendations to the Board on the appointment or re-appointment of directors of the Company and succession planning for directors of the Company in particular the chairman and the chief executive officer; and

(e) consider other topics as defined by the Board.

7.2 The Committee should be provided with sufficient resources to discharge all of its duties.

8. Reporting procedures

8.1 Full minutes of Committee meeting shall be kept by the secretary of the Company. The secretary of the Company shall circulate to all members of the Committee the draft and final version of minutes of meetings of the Committee or, as the case may be, written resolutions, for their comments and records respectively and all written resolutions of the Committee, once agreed, to all members of the Board within a reasonable time.

9. Continuing application of the articles of association of the Company

9.1 The articles of association of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

10. Powers of the Board

10.1 The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including the Code on Corporate Governance Practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.