



ETS GROUP LIMITED

易通訊集團有限公司

(incorporated in the Cayman Islands with limited liability)

**TERMS OF REFERENCE
OF
NOMINATION COMMITTEE**

ETS GROUP LIMITED

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(the “Company”)

Terms of Reference of Nomination Committee

1. Constitution

- 1.1 In order to establish a formal and transparent procedure for setting policies on appointment, re-election and removal of directors of the Company (the “**Directors**”), the board of Directors (the “**Board**”) resolved to establish a nomination committee (the “**Nomination Committee**”) on 19 March 2012.
- 1.2 This written terms of reference (“**TOR**”) clearly establish the authorities and duties for the Nomination Committee and is approved by the Board on 19 March 2012.

2. Membership

- 2.1 Members of the Nomination Committee (the “**Committee Members**”) shall be appointed by the Board and must comprise a minimum of three Committee Members and the majority of whom shall be independent non-executive Directors.
- 2.2 Committee Members should be appointed and removed by the Board. Additional Committee Members should also be appointed by the Board.
- 2.3 Appointment to the Nomination Committee shall be co-terminus with the directorship of the relevant members (whether by retirement, rotation or otherwise).

3. Chairman

- 3.1 The chairman of the Nomination Committee (the “**Chairman**”) shall be appointed by the Board.
- 3.2 In the absence of the Chairman at any meeting of the Nomination Committee (the “**Committee Meeting**”), the remaining Committee Members present at any Committee Meeting convened in accordance with this TOR shall elect among the remaining Committee Members to act as the Chairman.

- 3.3 If the chairman of the Company acts as the Chairman, he or she shall not chair the Nomination Committee when it is dealing with the matter of succession to the chairmanship and other Committee Members present may choose one of their number who must be an independent non-executive Director to be the chairman of such Committee Meeting.

4. Secretary

- 4.1 The company secretary of the Company (the “**Secretary**”) shall be the secretary of the Nomination Committee.
- 4.2 In the absence of the Secretary, his/her delegate(s) or any person elected by the members present at the Committee Meeting shall attend such/that Committee Meeting and take minutes of such Committee Meeting.

5. Notice

- 5.1 Unless otherwise agreed by all Committee Members, a Committee Meeting shall be called by at least 14 days’ notice.
- 5.2 A Committee Member may and, on the request of a Committee Member, at any time summon a Committee Meeting. Notice shall be given to each Committee Member orally in person or in writing or by telephone or by telex or telegram or facsimile transmission or electronic mail at the telephone or facsimile or address or electronic mail address from time to time notified to the secretary by such Committee Member by such other means as the Committee Members may from time to time determine. Any notice given orally shall be confirmed in writing.
- 5.3 Notice of Committee Meeting shall state the time and place of the Committee Meeting and shall be accompanied by an agenda and accompanying board papers shall be sent in full to all Committee Members in a timely manner and at least three days before the intended date of the Committee Meeting.

6. Quorum and Attendees

- 6.1 The quorum necessary for the transaction of business shall be two. No business shall be transacted at any Committee Meeting unless a quorum of Committee Members is present at the time when the Committee Meeting proceeds to business.
- 6.2 If only two Committee Members are present in any Committee Meeting, at least one

Committee Member must be an independent non-executive Director.

6.3 Other Directors who are not Committee Member shall have the right to attend any Committee Meeting. However they shall not be counted in the quorum.

6.4 A duly convened Committee Meeting at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Nomination Committee.

7. Frequency of Committee Meetings

7.1 Committee Meeting shall be held at least once a year and at such other times as needed.

8. Minutes of Committee Meetings

8.1 Minutes of the Nomination Committee shall be recorded in sufficient detail regarding the matters considered and decisions reached by the Nomination Committee, including any concerns raised by any Committee Member or dissenting views expressed. Drafts and final versions of minutes of the Committee Meetings should be sent to all Committee Members for their comment and records within a reasonable time after the Committee Meeting.

8.2 Minutes of the Committee Meetings shall be kept by the Secretary of the Committee Meeting and shall be made available for inspection by the Committee Members and any Director at any reasonable time and on reasonable notice.

9. Written Resolutions

9.1 Resolutions of the Nomination Committee shall be passed by a majority of votes which can also be passed by way of unanimously written resolutions. Meeting can be held in person, by telephone or by video conference.

10. Duties

10.1 The duties of the Nomination Committee shall include the following:

- (a) 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.

- (b) To identify individuals suitably qualified to become Board member(s) and select or make recommendations to the Board on the selection of individuals nominated for directorships.
- (c) To assess the independence of the Independent Non-executive Directors.
- (d) 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, and the Nomination Committee shall take into account the challenges and opportunities facing the Company and therefore, what skills and expertise are needed on the Board in the future.
- (e) To set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe the individual to be independent where the Board proposes a resolution to elect an individual as an independent non-executive Director at a general meeting;
- (f) To keep under review the leadership needs of the Company, all Directors, with a view to ensuring the continued ability of the Company to compete effectively in the market place, and in this connection, to keep up-to-date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.
- (g) To make recommendations to the Board concerning membership of the Audit Committee and the Remuneration Committee, in consultation with the respective Chairmen of those Committees.
- (h) To exercise such powers, authorities and discretions, and perform such other duties, of the Nomination Committee in relation to the nomination of Directors as the Board may time to time delegate to it, having regard to the Corporate Governance Code and Corporate Governance Report as set out in the Appendix 15 of the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (“GEM Listing Rules”).

11. Reporting Procedures

- 11.1 At the next meeting of the Board following a Committee Meeting, the Chairman shall report the findings and recommendations of the Nomination Committee to the Board.
- 11.2 The Chairman, or in the absence of the Chairman, a member of the Nomination Committee or failing his or her duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to Shareholders’ questions.

12. Authority

- 12.1 Management shall be obliged to supply to the Nomination Committee with adequate information in a timely manner to enable it to make informed decisions. The information

supplied must be complete and reliable.

12.2 The Nomination Committee shall have access to sufficient resources and is authorised by the Board to seek any information it requires from any employee of the Company or its subsidiaries in order to discharge its duties and all employees are directed to co-operate with any request made by the Nomination Committee.

12.3 The Company should provide the Nomination Committee 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.

13. Powers of the Board

13.1 The Board may, subject to compliance with the Articles of Association and the GEM Listing Rules, amend, supplement and revoke the provisions of this TOR and any resolution passed by the Nomination Committee provided that no amendments to and revocation of the provisions of this TOR and the resolutions passed by the Nomination Committee shall invalidate any prior act and resolution of the Nomination Committee which would have been valid if such provisions or resolutions had not been amended or revoked.

14. Publicity

14.1 This TOR is available on the GEM website and the Company's website.