



DAWNRAYS PHARMACEUTICAL (HOLDINGS) LIMITED

東瑞製藥(控股)有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2348)

Terms of Reference for Nomination Committee

1. Constitution

- 1.1 The board of directors (the “Board”) of Dawnrays Pharmaceutical (Holdings) Ltd. (“Company”) resolved to establish a Committee of the Board known as the Nomination Committee (“Committee”) on 18 May 2005.

2. Membership

- 2.1 The Nomination Committee shall comprise not less than three members to be appointed by the Board, the majority of whom should be independent non-executive directors of the Company.
- 2.2 The Board shall appoint the chairman of the Nomination Committee who should be either the Chairman of the Board or an independent non-executive director of the Company.

3. Secretary

- 3.1 The Company Secretary shall be the secretary of the Nomination Committee.

4. Quorum and voting at meetings

- 4.1 The quorum for meetings of the Nomination Committee shall be two members. A duly convened meeting of the Nomination Committee 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.
- 4.2 Only members of the Nomination Committee are entitled to vote at the meetings.
- 4.3 Any resolution of the Nomination Committee shall be decided by a majority of votes.

5. Attendance at meetings

- 5.1 At the invitation of the Nomination Committee, any director, external advisers and other persons may attend all or part of the Nomination Committee meeting.
- 5.2 The Nomination Committee members may attend meetings of the Nomination Committee either in person or through other electronic means of communication.

6. Frequency of meetings

- 6.1 The Nomination Committee shall meet at least once in each financial year.
- 6.2 Any member of the Nomination Committee may request a meeting if he/she considers that one is necessary.

7. Notice of meetings

- 7.1 Meetings of the Nomination Committee shall be convened by the secretary of the Nomination Committee at the request of any of its members.
- 7.2 Notice of each meeting setting out the venue, time and date shall be sent to each member of the Nomination Committee at least 7 days prior to any such meeting being held unless all members unanimously waive such notice. Notice of any adjourned meeting is not required if adjournment is for less than 14 days.
- 7.3 An agenda of items to be discussed, together with supporting documents (if any), shall be sent to Nomination Committee members within a reasonable period of time prior to the date of the meeting.
- 7.4 Any member of the Nomination Committee shall be entitled, by notice to the secretary of the Nomination Committee, to include other matters relevant to the functions of the Nomination Committee in the agenda of a Nomination Committee meeting.

8. Minutes of meetings

- 8.1 Minutes shall be kept by the secretary of the Nomination Committee. Draft and final versions of minutes shall be circulated to all Nomination Committee members for their comment and records, within a reasonable period of time after the meeting. Such minutes shall be open for inspection by directors of the Company.
- 8.2 A resolution in writing signed by all the members of the Nomination Committee shall be as valid and effectual as if it had been passed at a meeting of the Nomination Committee duly convened and held.

9. Annual General Meeting

- 9.1 The Chairman of the Nomination Committee or in his/her absence, another Member of the Nomination Committee, shall attend the Company's Annual General Meeting and be prepared to respond to shareholders' questions on the Nomination Committee's activities and their responsibilities.

10. Duties

The Nomination Committee shall:

- 10.1 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;

- 10.2 be responsible for nominating for the approval of the Board, candidates to fill board vacancies as and where they arise;
- 10.3 before appointment is made by the Board, evaluate the balance of skill, knowledge and experience on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment;
- 10.4 identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- 10.5 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 officer;
- 10.6 assess the independence of independent non-executive directors; and
- 10.7 do any such things to enable the Nomination Committee to discharge its duties conferred on it by the Board.

11. Authority

- 11.1 The Nomination Committee is authorized to obtain, at the expense of the Company, independent legal or other professional advice on matters within its terms of reference through the arrangement of Company Secretary.

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12. Reporting Responsibilities

- 12.1 The Nomination Committee shall report to the Board on matters within its duties.
- 12.2 The Nomination Committee shall make recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

13. Others

- 13.1 The Nomination Committee shall be provided with sufficient resources to perform its duties.
- 13.2 All members of the Nomination Committee shall have access to the advice and services of the secretary of the Nomination Committee with a view to ensuring that procedures of the Nomination Committee and all applicable rules and regulations are followed.

Revised on 30 March 2012