



XIDELANG HOLDINGS LTD
Bermuda Company No. 43136
Malaysian Foreign Company Registration No. 995210-W

NOMINATION COMMITTEE TERMS OF REFERENCE

Approved and Adopted by the Nomination Committee
Date: 25 March 2016

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1. Purpose

The primary purpose of the Nominating Committee (the "Committee") of the Board of Directors (the "Board") of XiDeLang Holdings Ltd ("XDL" or "the Company") is to assist the Board in fulfilling its oversight responsibilities with respect to:-

- (a) Assess and select/nominate or recommend strong and capable candidates to serve on the Board.
- (b) Review the size, composition, structure, operations, performance and effectiveness of the Board and to recommend to the Board any adjustment deemed necessary.
- (c) Make recommendations to the Board in relation to the Company's succession planning process, in particular, for the Chairman and Executive Directors.
- (d) Lead the Board in its annual review of the Board's performance.
- (e) Develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors.
- (f) Consider issues involving possible conflicts of interest of directors.
- (g) Perform such other functions as the Board may from time to time assign to the Committee.
- (h) Enhance the assessment criteria of the Directors, especially on the assessment of the Independent Directors.
- (i) Develop, promote and facilitate achievement of board gender diversity.

The Committee will fulfill these responsibilities primarily by carrying out the activities enumerate in Section 6 of this Terms of Reference.

2. Composition

The Committee shall be appointed by the Board and shall consist of not less than two (2) members.

All members of the Committee shall exclusively consist of non-executive directors, the majority of whom shall be independent directors. The chairman of the Committee shall be a senior independent director.

In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months.

The Board must review the term of office and performance of the Committee and each of its members at least once every three (3) years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

3. Chairman

Unless a Chairman is elected by the full Board, the members of the Committee may designate a Chairman by majority vote of its membership. The Chairperson will chair all regular sessions of the Committee and will set the agenda for the Committee meetings.

4. Secretary

The Company Secretary will act as Secretary to the Committee, unless otherwise determined by the Committee.

5. Meetings

The Committee shall meet at least once a year, or as frequently as circumstances dictate.

The meeting of the Committee shall be transparent, with all proceedings recorded and actions documented.

The Committee will report to the full Board with respect to its meetings, and provide the Board with a copy of the minutes of Committee meetings.

6. Quorum

Two (2) members of the Committee shall constitute a quorum at any meeting and majority of members present must be Independent Directors to form a quorum.

7. Responsibilities and Duties

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section 1 of this Terms of Reference. These functions should serve as a guide, with the understanding the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall carry any other responsibilities and duties delegated to it by the Board related to the purposes of the Committee outlined in Section 1 of this Terms of Reference.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that it deems appropriate. To fulfil its responsibilities and duties, the Committee shall:

(a) Board Selection, Composition and Evaluation

(i) Make recommendations regarding the size and composition of the Board, addressing, without limitation:-

- The absolute numbers of Board members.
- The balance between executive, non-executive and independent directors.
- Right mix of skills, knowledge and experience of the Board.
- The Committee structure.
- Gentle diversification of at least 1/3 of the Board is female directors.

(ii) Identify individuals believed to be qualified candidates for Board membership and recommend to the Board candidates for all directorships to be filled by the Board or by the shareholders at any meeting. The selection and appointment of the suitable candidates for Board membership involve the following five (5) nomination procedures:-

- Identification/selection of candidates.
- Evaluation of suitability of candidates.
- Formal interview with candidates.
- Final deliberation by the Nomination Committee.
- Recommendation to the Board.

In connection with the nomination process, the Committee shall be authorised to, without limitation:-

- Determine the desired qualifications and criteria for Board members, including skills, experience, qualities, desired diversity and the like.
- Recommend to the Board definitions of “independence” and “conflicts of interest” for Board members, as well as guidance on time commitments and other directorships.
- Retain and terminate (within its sole authority) any search firm to assist in identifying director candidates, including the sole authority to approve the fees payable to such search firm and any other terms of retention.
- Oversee due diligence as to candidates for nomination or re-nomination as Board members.

(iii) Conduct annual evaluation of the overall effectiveness of the Board. This evaluation and the resulting recommendation shall address, but is not limited to:-

- The Board’s structure and composition.
- The Board’s independence, commitment and accountability.
- The Board’s involvement in setting the Company’s strategy and monitoring its execution.
- The Board’s oversight of management and monitoring of management succession planning.
- The Board’s focus on the most critical issues and risks.
- The clarity between the roles of the Board and management.
- The adequacy of access to information, employees and experts in a timely manner.
- The appropriateness of each of the Committee’s Terms of Reference and the functioning of the Committees with respect to those Terms of Reference.

(iv) Develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors.

(b) Continuity/Succession Planning Process

- (i) Oversee the development and implementation of an effective orientation program for new members of the Board.
- (ii) Oversee the evaluation of management.
- (iii) Conduct annual review of the Managing Director (“MD”)/Chief Executive Officer (“CEO”) and Deputy CEO and Chief Operating Officer.
- (iv) Ensure that an effective MD/CEO and key management succession plan is in place.
- (v) Assess and recommend to the Board a successor to the MD/CEO in the event of a vacancy of the position, unless the Board designates another committee for this purpose.

(c) Appointment/re-appointment/evaluation of Independent Directors

- (i) Develop and review criteria to assess independence of directors.
- (ii) Undertake an assessment of its independent directors annually.
- (iii) Recommend to the Board on the re-appointment of Independent Director who has served in that capacity for more than nine (9) years.

8. Authority

The Committee is authorised to seek any information it requires from any employee of the Company in order to perform his/her duties.

In furtherance to their duties as the Committee’s members of the Company, there should be authorised procedures for the members, whether as a full committee or in their individual capacity, to take independent professional advice at the Company’s expense, if necessary.

9. Annual Performance Evaluation

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including reviewing the compliance of the Committee with this Terms of Reference. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Terms of Reference and recommend to the Board any improvements to this Terms of Reference that the Committee considers necessary or valuable. The Board shall also issue an annual evaluation of the Committee’s performance.