

Hengxing Gold Holding Company Limited
恒興黃金控股有限公司
(the “Company”)

TERMS OF REFERENCE
OF
NOMINATION COMMITTEE
(the “Committee”)
ADOPTED BY THE BOARD ON 5 MAY 2014

Membership

1. The Committee shall consist of not less than three members appointed by the board of directors of the Company (the “Board”); the majority of the members of the Committee shall be independent non-executive directors of the Company.
2. The chairman of the Committee shall be an independent non-executive director or the chairman of the Board. Where the board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe he should be elected and the reasons why they consider him to be independent.
3. The term of membership will be one year from the date of appointment subject to renewal and shall be governed by the provisions of the Articles of Association of the Company.
4. The appointment of the members of the Committee may be revoked, and new appointments may be made in place by resolutions passed by the Board and by the Committee.
5. No alternate Committee member can be appointed.
6. The Company Secretary or his nominee shall act as the secretary of the Committee.

Frequency and proceedings of meetings

7. The Committee shall meet before the holding of an annual general meeting where appointment of directors will be considered. Additional meetings shall be held as the work of the Committee demands.
8. In addition, the chairman of the Committee may convene additional meetings at his discretion.
9. The quorum of a meeting shall be two members of the Committee, at least one of whom is an independent non-executive director.
10. Proceedings of meetings of the Committee shall be governed by the provisions of the Articles of Association of the Company.

Notice of Meetings

11. Notice of meetings shall be given to all members of the Committee at least fourteen days before the meeting.

Committee's Resolutions

12. A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more of the members of the Committee. Such resolution may be signed and circulated by fax or other electronic communications. This provision is without prejudice to any requirement under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for a Board or Committee meeting to be held.

Authority

13. The Committee is authorised by the Board to review, assess and make recommendations upon any issue within its terms of reference and all employees are directed to cooperate as requested by members of the Committee.
14. The Committee is authorised by the Board to obtain outside legal or other independent professional advice if deemed required and to invite the attendance of outsiders with relevant experience and expertise if it considers necessary.
15. The Committee is to be provided with 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.

Duties, powers and functions

16. The Committee shall -
 - (a) formulate nomination policy for consideration of the Board and implement the nomination policy laid down by the Board;
 - (b) should have a policy concerning diversity of board members, and should disclose the policy or a summary of the policy in the corporate governance report.
 - (c) without prejudice to the generality of the foregoing:
 - (i) 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;
 - (ii) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

- (iii) assess the independence of the independent non-executive directors;
- (iv) 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;
- (v) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- (vi) conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Memorandum of Association and the Articles of Association of the Company or imposed by legislation.

Reporting Procedures

- 17. The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report the findings and recommendations of the Committee to the Board.
- 18. The secretary of the Committee shall circulate the minutes of meetings and all written resolutions of the Committee to all members of the Board, keeping the Board informed of the Committee's activities, decisions and recommendations on a regular basis.

Availability and update of the terms of reference

- 19. These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements (e.g. the Listing Rules) in Hong Kong. These terms of reference shall be made available to the public by including the information on the Company's website and the Stock Exchange's website.