

**NATURAL BEAUTY BIO-TECHNOLOGY LIMITED**  
**(the “Company”)**

**NOMINATION COMMITTEE CHARTER**

**(Revised and adopted on 6 November 2013)**

**Introduction**

The Nomination Committee is set up pursuant to the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Main Board Listing Rules”). The board of directors of the Company (the “Board”) is required to state whether the Company has complied with the requirements in its interim and annual reports.

**Principle**

There should be a formal, considered and transparent procedure for the appointment of new directors to the Board. There should be plans in place for orderly succession for appointments to the Board.

To run an effective board, it is important that a listed company should go through a formal, fair and transparent process of reviewing the balance and effectiveness of its board, identifying the skills needed and appointing those who can provide them to the board. The main objective of the Nomination Committee is to lead the process for Board appointments, and to identify and nominate suitable candidates for appointment to the Board.

**Terms of reference**

**1. Membership**

- 1.1 The Nomination Committee shall be chaired by the chairman of the Board or an independent non-executive director of the Company (“INED”) and comprises a majority of INEDs.
- 1.2 The Board shall appoint the chairman of the Nomination Committee who should be the chairman of the Board or one of the INEDs sitting on the Nomination Committee. In the absence of the chairman of the Nomination Committee or an appointed deputy, the remaining members present shall elect one of them to chair the meeting. For the avoidance of doubt, the chairman of the Board shall not chair the meeting of the Nomination Committee when it is dealing with the succession of chairmanship.
- 1.3 Only members of the Nomination Committee have the right to attend the Nomination Committee meetings. However, any director, executive or other person may be invited to attend the meetings when the Nomination Committee considers that their attendance can assist it to discharge its duties.

**2. Frequency and proceedings of meetings**

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- 2.1 The Nomination Committee shall meet at such times as the chairman of the Nomination Committee shall require.
- 2.2 The quorum for meetings of the Nomination Committee shall be of such a number that the INEDs shall form the majority in the meeting. 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 the Nomination Committee.

**3. Secretary**

- 3.1 The company secretary of the Company or his nominee shall act as the secretary of the Nomination Committee.

**4. Notice of Meetings**

- 4.1 Meetings of the Nomination Committee shall be convened by the chairman of the Nomination Committee.
- 4.2 Unless otherwise agreed, notice of each meeting setting out the venue, time and date together with the agenda of items to be discussed, shall be forwarded to each of the members of the Nomination Committee and any other person required to attend at least 14 working days before the meeting date. Supporting papers shall be sent at least 3 working days before the meeting.

**5. Minutes of the Meetings**

- 5.1 Minutes of the Nomination Committee meetings shall record in sufficient detail the matters considered in the meetings and decisions reached, including any concerns raised and dissenting views expressed. Draft and final versions of the minutes shall be circulated within 14 working days after the meetings to all members of the Nomination Committee for their comment and records respectively, and unless there is a conflict of interest, to all other members of the Board.
- 5.2 The secretary of the Nomination Committee shall keep the minutes and resolutions passed at the Nomination Committee meetings and they should be open for inspection at any reasonable time on reasonable notice by any director save when there is a conflict of interest.

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6. Annual General Meeting

- 6.1 The chairman of the Nomination Committee shall attend the annual general meeting of the Company and be prepared to respond to shareholders’ questions on the activities of the Nomination Committee.

7. Duties

- 7.1 The Nomination Committee shall:

7.1.1 review the structure, size and composition (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, the skills, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy;

7.1.2 with due regard for the benefits of diversity on the Board, identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

7.1.3 assess the independence of INEDs;

7.1.4 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;

7.1.5 make recommendations to the Board on the membership of Board committees, including without limitation, Audit Committee, Executive Committee and Remuneration Committee, in consultation with the chairman of the Board and the chairmen of such committees, as appropriate;

7.1.6 before recommending an appointment, evaluate the balance of skills, knowledge and experience of the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Nomination Committee shall:

- (i) use such methods to facilitate the search as it may deem appropriate;
- (ii) consider candidates from a wide range of backgrounds; and
- (iii) consider candidates on merit and against objective criteria, taking care that candidates have enough time available to devote to the position.

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- 7.1.7 make recommendations to the Board on any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the law and their service contracts;
- 7.1.8 keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;
- 7.1.9 keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 7.1.10 review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfill their duties;
- 7.1.11 ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings; and
- 7.1.12 review the policy on Board diversity (the “Board Diversity Policy”) and any measurable objectives for implementing such Board Diversity Policy as may be adopted by the Board from time to time and to review the progress on achieving the objectives; and to make disclosure of its review results in the Corporate Governance Report of the Company annually.

**8. Reporting Responsibilities**

- 8.1 The chairman of the Nomination Committee shall report formally to the Board on its decisions or recommendations proceedings after each meeting on all matters within its duties and responsibilities, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).
- 8.2 The Nomination Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 8.3 The Nomination Committee shall provide to the Board all the information set out in Appendix 14 of the Main Board Listing Rules to enable the Company to prepare the Corporate Governance Report in its Annual Report in compliance with the said Appendix 14.

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8.4 Where the Board proposes a resolution to elect an individual as an INED 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.

9. Authority

9.1 The Nomination Committee is authorized to seek any information it requires from any employee of the Company in order to perform its duties.

9.2 The Nomination Committee may obtain, at the expense of the Company, independent legal or other professional advice on any matters within its terms of reference.

10. Other

10.1 The Nomination Committee shall review annually its terms of reference, performance and constitution and recommend any changes it considers necessary to the Board for approval.

10.2 The terms of reference of the Nomination Committee explaining its role and the authority delegated to it by the Board are available on the website of The Stock Exchange of Hong Kong Limited and on the Company’s website at [www.nblife.com/ir](http://www.nblife.com/ir).