

NOVO GROUP LTD.
(the “Company”)

NOMINATING COMMITTEE
TERMS OF REFERENCE

(Effective on 28 October 2016)

Purpose

1. The nominating committee’s (“**NC**”) is a committee established by the board of directors (the “**Board**”). The NC’s function shall be to identify candidates and review all nominations, whether by any Director, member or otherwise, for the appointment or re-appointment of:-
 - (a) members of the Board;
 - (b) the Chief Executive Officer, and Executive Directors of the Company;
 - (c) the members of the various Board committees, for the purpose of proposing such nominations to the Board for their approval.
2. Subject to the regulations contained in the Companies Act, Chapter 50 (the “**Act**”), the SGX-ST Listing Manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”), the Constitution of the Company and the guidelines set out in the Code of Corporate Governance 2012 (the “**Code**”) or subsequent revisions (as the case may be) issued by the Corporate Governance Committee and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**HK Listing Rules**”) , the procedures of the NC shall be regulated by the provisions of this Terms of Reference and as may be amended from time to time.

Composition

3. Pursuant to the Code, the NC shall comprise at least three (3) Directors, a majority of whom, including the Chairman should be independent. The lead independent Director, if any shall be a member of the NC. The Chairman should be a Director who is not directly associated with, a substantial shareholder. The “independence” of directors shall be determined according to the applicable guidelines and requirements issued or adopted by the Corporate Governance Committee as currently embodied in the Code, as supplemented, amended or varied from time to time.
4. Pursuant to the HK Listing Rules, the NC can be chaired by chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors.

5. The Chairman and members of the NC shall be appointed by the Board.
6. A member who wishes to retire or resign from the NC shall notify the Board in writing giving a reasonable notice as may be agreed by the Board.
7. A member shall automatically cease to be a member of the NC if he is removed or disqualified under the rules of the Act, or if he resigns or retires or is not re-elected as a Board member.
8. Where, by virtue of any vacancy in the membership of the NC for any reason, the number of members of the NC is reduced to less than three (3), the Board shall, within three (3) months thereafter, appoint such number of new members to the NC as may be required to make up the minimum number of three (3). Any new member appointed shall hold office for the remainder of the term of office of the member of the NC in whose place he is appointed.

Meetings

9. The Secretary or some other person as resolved from time to time by the NC shall be the secretary of the NC.
10. The NC may regulate its own procedures and in particular the calling of meetings, the notice to be given by such meetings, the voting and proceedings thereat. The secretary shall on the requisition of a member of the NC (hereinafter referred to as member), summon a meeting of the members.
11. Seven (7) days' notice in writing or such shorter notice as may be agreed by members, will be given by the Secretary, specifying the place, time and agenda of the meeting. The expression "in writing" includes those in the form sent out by mail, telefax or electronic mail by any such member.
12. The NC shall have full access to and co-operation by the management including internal auditors (if any) and shall have full discretion to invite any director or executive officer of the Company to attend any meeting.
13. The quorum necessary for the transaction of the business of the NC shall be two (2), provided that a majority shall be independent.
14. If, at any meeting, the Chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, the members present may choose one of the other independent members to be Chairman of the meeting.
15. Of the members participating in a decision of the NC, a majority shall be independent. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote. In the event a member is interested in any matter being considered by the NC, he will abstain from reviewing that particular transaction or voting on that particular resolution. A member shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting. If there is a deadlock situation in the resolution of the matter, then the matter shall be referred to the Board.

16. The members of the NC may participate in a meeting via telephone conference or such other similar communication equipment by means of which all persons participating in the meeting can hear each other, without a member being in the physical presence of another member or members, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. Minutes of such a meeting signed by all participants of the meeting shall be conclusive evidence of any resolution of any meeting conducted in such manner. A resolution passed by such a conference shall, notwithstanding that the members of the NC are not present together at one place at the time of the conference, be deemed to have been passed at a meeting of the members held on the day and at the time at which the conference was held and shall be deemed to have been held at the registered office of the Company, unless otherwise agreed, and all the members of the NC participating at that meeting shall be *deemed* for all purposes of this Terms of Reference to be present at that meeting.
17. A resolution in writing, signed by a majority of the members for the time being entitled to receive notice of a meeting of the NC (of which a majority shall be independent), shall be valid as effectual as if it had been passed at a meeting of the NC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members. The expressions “in writing” and “signed” include approval by telefax or electronic mail by any such member.
18. Minutes of all proceedings of meetings of the NC shall be recorded by the Secretary and circulated to all the members. The minutes are to be signed by the Chairman of the meeting. The minute books shall be kept by the Secretary and shall be open for inspection by any Director of the Company.
19. The Chairman of the NC shall report on the proceedings of the NC to the Board by way of submission of minutes of the committee meetings or by such other mode as the Chairman shall in his discretion deem fit.

Authority

20. The NC may exercise the following powers:
 - (a) to seek any information it requires from any employee of the Company and its subsidiaries (together, the “**Group**”) and any professional advisers in order to perform its duties, to require any of them to prepare and submit reports and to attend NC meetings and to supply information and address the questions raised by the NC;
 - (b) to review the performance of the Directors and the independence of independent non-executive Directors in relation to their appointment or reappointment as Directors;

- (c) to obtain, at the Company's expenses, outside legal or other independent professional advice on or assistance to any matters within these terms of reference, including the advice of independent human resource consultancy firm or other independent professionals, and to secure the attendance of outsiders with relevant experience and expertise at its meetings if it considers this necessary. The NC shall have full authority to commission any search (including without limitation litigation, bankruptcy and credit searches), report, survey or open recruitment which it deems necessary to help it fulfill its duties and should be provided with sufficient resources to discharge its duties;
- (d) to review annually these terms of reference and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary;
- (e) to exercise such powers as the NC may consider necessary and expedient so that their duties herein below can be properly discharged; and
- (f) The NC should be provided with sufficient resources to discharge its duties.

Responsibilities

21. The principal responsibilities of the NC shall be to:

- (a) review the structure, size, composition and diversity (including without limitation, gender, age, cultural and educational background, professional experience, skills and knowledge) of the Board together with their core competencies (such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge) at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) review and recommend the nomination or re-nomination of directors having regard to the composition and progressive renewal of the Board, each director's qualifications, competencies, commitment, contribution and performance, the number of other listed company board representations and whether a director is independent;
- (c) make recommendations to the Board on the appointment or re-appointment of Directors, having regard to each individual Director's contribution and performance and succession planning for Directors, in particular the chairman and the chief executive;
- (d) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

- (e) determine the maximum number of listed company board representations which any director may hold;
- (f) decide whether or not a director is able to and has been adequately carrying out his duties as a director, particularly when he has multiple board representations, and/or other principal commitments;
- (g) determine on an annual basis whether or not a director is independent bearing in mind the circumstances set forth in Guidelines 2.3 and/or 2.4 of the Code and other salient factors and assess the independence of independent non-executive Directors on an annual basis pursuant to the HK Listing Rules;
- (h) decide how the Board's performance is to be evaluated and propose objective performance criteria, subject to the approval of the Board;
- (i) implement a process for assessing the effectiveness of the Board as a whole and its board committees and for assessing the contribution by the Chairman of the Board and each individual director to the effectiveness of the Board;
- (j) recommend to the Board comprehensive induction training programmes for new directors and review of training and professional development programs for the Board to keep the Board apprised of relevant new laws, regulations and changing commercial risks;
- (k) undertake such other functions and duties as may be required by statute of the Act, the Listing Manual and the Code and the HK Listing Rules, or by such amendments as may be made thereto from time to time;
- (l) to give due regard to the benefits of diversity on the Board against objective criteria with reference to the Board diversity policy when performing its duties;
- (m) to review the Board diversity policy as appropriate and to review the measureable objectives under the Board diversity policy and the progress of attainment, so as to ensure effective implementation; and
- (n) to exercise such other powers, authorities and discretions, and perform such other duties, of the Directors in relation to the nomination of Directors as the Board may from time to time delegate to it, having regard to the Companies Ordinance (Chapter 622, Laws of Hong Kong), the HK Listing Rules, the Act, the Listing Manual and the Constitution of the Company.

GENERAL

22. The NC in carrying out its tasks under these terms of reference may obtain at the Company's expense such external or other independent professional advice as it considers necessary to carry out its duties.
23. The Board will ensure that the NC has the resources access to independent professional advice at the Company's expense in order for it to perform its duties.
24. The NC shall initiate amendments to its Terms of Reference when the need arises due to changes in legislation governing corporate governance. Any director may propose such amendments to the NC's Terms of Reference, as he deems fit, by reason of changes in the Company's structure, organisation and/or operations which affect the matters set out in the Terms of Reference. All amendment to the Terms of Reference shall be submitted to the NC for approval.

Amended on 28 October 2016