



City e-Solutions Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 557)

CITY e-SOLUTIONS LIMITED (the “Company”) NOMINATION COMMITTEE (the “Committee”) TERMS OF REFERENCE

Membership

1. The Committee shall consist of a minimum of three Directors appointed by the board of Directors of the Company (the “Board”) from time to time in accordance with these terms of reference as approved by the Board (including any amendments thereto as may be approved by the Board from time to time). Majority of the members of the Committee shall be independent non-executive Directors.
2. The chairman of the Committee shall be appointed by the Board from the members of the Committee, who may be either the chairman of the Board or an independent non-executive director.
3. The Company Secretary shall normally be appointed the secretary of the Committee. However, the chairman of the Committee retains the right to nominate another person to be the Secretary or the Assistant Secretary to the Committee.

Frequency and proceedings of meetings

4. The Committee shall meet at least once a year. Additional meetings shall be held as and when required in order for the Committee to carry out its functions.
5. The Secretary to the Meeting shall convene a meeting upon the request of the chairman of the Committee or any Committee member who considers it necessary.
6. In the absence of the chairman of the Committee at any of the Committee meetings, the members present shall elect one of their members to chair the meeting.
7. The quorum of a meeting shall be two members of the Committee.
8. Meetings may be conducted in person, by telephone-conference or by video-conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.

9. Resolutions of the Committee at any meetings shall be passed by a majority of votes of the members present. Only members of the Committee are entitled to vote at the meetings.
10. A resolution in writing signed by all members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.
11. The Committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants to advise its members.
12. At the invitation of the Committee, the Chairman of the Board, Managing Director and/or Chief Executive Officer, any other Director of the Board or any Senior Management of the Company may be invited to attend all or part of any meetings.
13. The secretary of the Committee shall maintain and arrange for the keeping of records of the minutes of all meetings of the Committee, which shall include records of key deliberations and decisions taken, and all resolutions passed by the Committee. The minutes of all meetings of the Committee shall be circulated to all members of the Committee within a reasonable time after each meeting and, once the minutes have been confirmed, to the members of the Board for information.

Duties, powers and functions

14. The Committee shall:
 - (a) review and monitor the structure, size and composition (including the skills, knowledge and experience) of the Board annually and make recommendations on any proposed changes to the Board to complement the Company's business strategy;
 - (b) identify individuals suitably qualified to become Board members and select, or make recommendations to the Board on the selection of, individuals nominated for directorships;
 - (c) assess the independence of independent non-executive Directors, having regard to the requirements under the Listing Rules;
 - (d) make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors in particular, the Chairman of the Board and the Chief Executive Officer;
 - (e) engage such external professional advisors to assist and/or advise the Committee on issues as it considers necessary, and shall be provided with full co-operation and assistance from Management and sufficient resources for the Committee to perform its duties;
 - (f) do any such things to enable the Committee to discharge perform its duties and functions conferred on it by the Board; and

- (g) conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation or the listing requirements of The Stock Exchange of Hong Kong Limited.

Reporting Procedures

- 15. 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 its activities and recommendations of the Committee to the Board.
- 16. The Committee shall make any recommendation to the Board it deems appropriate on any area within its terms of reference where action or improvement is needed.

Revised and adopted on 27 February 2012