KPa-BM Holdings Limited
應力控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2663)

(the "Company")

NOMINATION COMMITTEE — TERMS OF REFERENCE

(Adopted by a resolution of the Board passed on 22 September 2015 and revised by the Board with effect from 24 October 2017)

1. MEMBERSHIP

1.1 The nomination committee (the "**Committee**") shall comprise three directors appointed by the Board from time to time. The majority of the members of the Committee shall be independent non-executive directors of the Company.

1.2 The chairman of the Committee shall be appointed by the Board and shall be the chairman of the Board or an independent non-executive director of the Company.

1.3 Saves as otherwise appointed by the Committee, the company secretary shall be the secretary of the Committee and in the absence of the company secretary, a member of the Committee or his/her nominee shall act as the secretary.

2. FREQUENCY AND PROCEEDINGS OF MEETINGS

2.1 The Committee shall meet at least once every year. Additional meetings shall be held as the work of the Committee demands.

2.2 The chairman of the Committee may convene additional meetings at his discretion.

2.3 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any member thereof.

2.4 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, the chief executive officer of the Company, the chief financial officer of the Company, any other person required to attend and all other executive and non-executive directors of the Company, at least three working days prior to the date of the meeting.

2.5 The quorum of a meeting shall be two members of the Committee and one of them must be an independent non-executive director of the Company. Any members of the Committee or other attendees may participate in a meeting of the Committee by attending in person or by means of a telephone conference or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

2.6 The chairman of the Board shall have the right to attend and speak at meeting of the Committee; others may be called upon or shall able to speak by prior arrangement with the chairman of the Committee.

2.7 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.

2.8 With consent by all members of the Committee, resolutions of the Committee could be passed by written resolutions.

2.9 Any resolution shall be passed by the majority votes of the members of the Committee who attend the meeting and a majority vote of the members present shall represent an act of the Committee.

3. DUTIES, POWERS AND FUNCTIONS

The Committee shall

(a) 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;

(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 of the Company;

(d) make recommendations to the Board on the appointment or re-appointment of directors of the Company and succession planning for directors of the Company, in particular the chairman of the Board and the chief executive officer; and

(e) have a policy concerning diversity of Board members, review the policy and the progress on achieving the objectives set for implementing the policy and should disclose the policy or a summary of the policy in the corporate governance report annually.

The Committee shall report directly to the Board. The Committee shall be provided with sufficient resources to perform its duties and is authorised to obtain outside legal or other independent professional advice to perform its responsibilities and to secure the attendance of outsiders with relevant experience and expertise, at the Company's expense, if it considers necessary.

4. REPORTING PROCEDURES

4.1 The secretary of the Committee shall, at the beginning of each meeting, ascertain and record the existence of any conflicts of interest and minute them accordingly. The relevant member of the Committee shall not be counted towards the quorum and he must abstain from voting on any resolution of the Committee in which he or any of his associates has a material interest, unless the exceptions set out in note 1 to Appendix 3 to the Listing Rules apply.

4.2 Full minutes of the meetings of the Committee should be kept by the secretary of the Company. Draft and final versions of minutes of the Committee meetings should be sent to all members of the Committee for their comment and records respectively within a reasonable time after the meeting.

4.3 The secretary of the Committee shall circulate the minutes of meetings of the Committee to all members of the Board.

4.4 Chairman of the Committee who chair the meetings or other member of the committee who is authorised by the chairman of the Committee to chair the meetings shall report to the Board after each meeting of the Committee.

5. INTERPRETATION

Interpretation of these terms of reference shall belong to the Board.

* *For identification purpose only*