

These terms of reference are prepared in Chinese. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

FAVA INTERNATIONAL HOLDINGS LIMITED

名家國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 08108)

(the “Company”)

Nomination Committee

Terms of Reference

Approved by the Board of Directors of the Company on 1 March 2012

Constitution

1. The board (the “Board”) of the directors of the Company (the “Directors”) resolved on 1 March 2012 to establish a Committee of the Board to be known as the Remuneration Committee (“Committee”).

Membership

1. The Committee members shall be appointed by the Board from amongst the Non-Executive Directors of the Company. In case of a committee member would no longer hold a directorship, he will lose his qualification automatically, the Board shall appoint a new member to fill in the vacancy.
2. The Committee shall consist of not less than three members, 2/3 of whom should be Independent Non-Executive Directors.
3. The Chairman of the Committee shall be appointed by the Board, and shall be an Independent Non-Executive Director.

Secretary

1. The company secretary of the Company shall be the secretary of the Committee. In the absence of the secretary of the Committee, the members present at the meeting of the Committee shall select another person as the secretary.

Notice of meetings and quorum

1. Unless otherwise agreed by all the members of the Committee, notice in writing shall be given by the Committee secretary to the Committee members at least 3 days before the convention of the meeting.
2. A quorum of Committee meetings shall be two members.

Attendance at meetings and minutes of meetings

1. The Committee may invite the executive Directors, external advisors and other persons to attend the meeting, provided that such persons have no right to vote in the Committee meeting.
2. The meeting can be convened by way of physical present, tele-conferencing or video-conferencing, the members presenting by any manner of the above-mentioned shall be regarded as having already attended the meeting.

3. The resolutions of the Committee shall be taken effect until the approval by the majority of the members who attended the meeting.
4. The full-set minutes of the Committee meetings should be kept by the Committee secretary, the minutes shall contain detailed records of the matters discussed and the decisions made by the members, including any doubts or counterviews of the members. The draft versions and the final version of the minutes of the Committee meeting shall be sent to all the Committee members within a reasonable time after the meeting, the draft versions for the members' comment, and the final version for their record. The minutes of the meetings shall be submitted to the Board for record after being finalised.

Frequency of meetings

1. Meetings shall be held at such times as the Committee determines as appropriate to carry out its responsibilities.

Duties

1. The duties of the Committee shall include the folloings:
 - (a) review 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 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; and
 - (d) make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors in particular th Chairman and the chief executive.

Reporting duty

1. The Chairman of Committee or other members authorised to preside at Committee meetings should report to the Board after the completion of every Committee meeting.

Power of interpretation

1. The Board has the full power of interpretation on these terms of reference.

** For identification purpose only*