

These Terms are prepared in English. In the event that there is any discrepancy or inconsistency between the English version and the Chinese version, the English version shall prevail.



Hang Chi Holdings Limited

恒智控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8405)

NOMINATION COMMITTEE TERMS OF REFERENCE

1. Constitution

The board of directors (the “**Board**”) of Hang Chi Holdings Limited (the “**Company**”) resolved to constitute and establish a nomination committee (the “**Nomination Committee**”) on 21 June 2017 with authority, responsibility and specific duty described below.

2. Membership

- 2.1 Members of the Nomination Committee (the “**Members**”) shall be appointed by the Board.
- 2.2 The Nomination Committee shall comprise a minimum of three Members. The majority of the Members shall be independent non-executive directors (“**INED**”).
- 2.3 The chairman of the Nomination Committee shall be appointed by the Board and shall be the chairman of the Board or an INED.
- 2.4 The company secretary of the Company or any other person with appropriate qualification and experience as appointed by the Nomination Committee from time to time shall be the secretary of the Nomination Committee.

3. Meetings

- 3.1 The Nomination Committee shall meet with such frequency and at such times as it may determine, but in any event not less than once a year.
- 3.2 Unless waived by all Members on notice, the secretary of the Nomination Committee shall give seven days prior notice to all Members for any meeting to be convened and circulate the meeting agenda to the Members.
- 3.3 The quorum for a meeting shall be two Members.
- 3.4 Meetings shall be held in person or by means of a conference telephone, electronic or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously.
- 3.5 Resolutions of the Nomination Committee at any meeting shall be passed by a majority of votes of the Members present.
- 3.6 A resolution in writing signed by all the Members shall be as valid and effectual as if it had been passed at a meeting of the Nomination Committee duly convened and held.
- 3.7 Full minutes of the Nomination Committee meetings shall be kept by the secretary of the Nomination Committee. Draft and final versions of minutes shall be sent to all Members for their comment and records within a reasonable time after the meeting.
- 3.8 At the invitation of the Nomination Committee, the directors, external advisers and other persons may attend all or part of any meeting. However, only the Members are entitled to vote at the meetings.

4. Authority

- 4.1 The Nomination Committee shall seek independent professional advice, at the Company's expense, to perform its responsibilities where necessary.
- 4.2 The Nomination Committee shall be provided with sufficient resources to perform its duties.

5. Responsibility and Duty

- 5.1 The main responsibilities and duties of the Nomination Committee should include:
- 5.1.1 to review the structure, size, composition and diversity (including but not limited to the skills, knowledge, gender, age, ethnicity, cultural and educational background, professional experience and length of service) of the Board at least annually and make recommendations on any proposed change to the Board to complement the Company's corporate strategy;
 - 5.1.2 to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships. In identifying suitable candidates, the Nomination Committee shall consider candidates on merit and against the objective criteria, with due regard for the benefits of diversity on the Board;
 - 5.1.3 to assess the independence of INEDs;
 - 5.1.4 to advise the Board on the following issues on the selection of an individual to be nominated as an INED:
 - (a) the process used for identifying the individual and why the individual should be elected and the reasons why it considers the individual to be independent;
 - (b) if the individual will be holding his/her seventh (or more) listed company directorship, why the individual would still be able to devote sufficient time to the Board;
 - (c) the perspectives, skills and experience that the individual can bring to the Board; and
 - (d) how the individual contributes to diversity of the Board.
 - 5.1.5 to 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;
 - 5.1.6 to monitor the implementation of the Board diversity policy of the Company (the "**Board Diversity Policy**"); and review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and progress towards the achievement of any objectives set for implementing diversity on the Board; and make disclosure of the Board Diversity Policy or a summary of such policy as well as its review results in the Corporate Governance Report annually;

- 5.1.7 to regularly review the Board Diversity Policy to ensure its effectiveness and recommend any revision that may be required to the Board for consideration and approval;
 - 5.1.8 to review and implement, as appropriate, the policy, criteria and procedures for the identification, selection and nomination of candidates for the role of directors (the “**Nomination Policy**”);
 - 5.1.9 to disclose the Nomination Policy and the summary of work performed by the Nomination Committee during the year in the Corporate Governance Report;
 - 5.1.10 to regularly review the time commitment required from directors to perform their responsibilities and to evaluate whether he/she has committed adequate time to discharge his/her responsibilities; and
 - 5.1.11 to evaluate the needs for, and monitor the training and development of, the directors.
- 5.2 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 its view on the issues stated in paragraph 5.1.4 (a) to (d) above.
- 5.3 The chairman of the Nomination Committee or in his absence, another Member or failing this, his duly appointed delegate, shall attend and be available to answer questions at the annual general meeting of the Company.

6. Reporting

The Nomination Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Nomination Committee, the chairman of the Nomination Committee shall report to the Board on the findings and recommendations of the Nomination Committee.

Revised and adopted by the Board on 18 January 2019.