

SINOMAX GROUP LIMITED
盛諾集團有限公司

**Terms of Reference of
the Nomination Committee of the Board of Directors**

Sinomax Group Limited

盛諾集團有限公司

(the "**Company**", together with its subsidiaries, the "**Group**")

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE OF THE BOARD OF DIRECTORS OF THE COMPANY

*(Adopted by the board of directors of the Company on 4 March 2014
and amended by the board of directors of the Company on 27 March 2019
to take effect from 1 January 2019)*

1 CONSTITUTION

The Nomination Committee (the "**Committee**") is established by the board of directors (the "**Board**") of the Company, in accordance with paragraph A.5 of Appendix 14 "Corporate Governance Code" to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), to assist it:

- (a) to oversee the composition of the Board to ensure that qualified and competent individuals serve as members of the Board and its committees; and
- (b) to develop, recommend to the Board and oversee the implementation of corporate governance principles and policies relating to the operation of the Board and its committees and the Company as a whole.

2 MEMBERSHIP

- 2.1 Members of the Committee shall be appointed by the Board from the directors of the Company and the Committee shall consist of at least three members. The majority of members shall be independent non-executive directors.
- 2.2 The chairman of the Committee shall be appointed by the Board, who shall be the chairman of the Board or an independent non-executive director of the Company.
- 2.3 Members of the Committee shall share the same term of office with that of the directors of the Company. The members may, upon the expiry of their term in office, offer themselves for re-election. During this period, if any member is no longer the director of the Company, his/her Committee membership shall be terminated automatically. The Board shall fill the vacancy according to paragraphs 2.1 and 2.2 above.

3 SECRETARY OF THE COMMITTEE

The secretary of the Committee shall be the company secretary of the Company or other individuals appointed by the Committee from time to time.

4 MEETING

- 4.1 The Committee shall hold regular meetings and temporary meetings. Regular meetings shall be convened at least once a year. Temporary meeting shall be convened when proposed by a Committee member.
- 4.2 Any provision in the Company's Articles of Association (the "**Articles**") applicable to the convening and proceedings of Board meeting shall be deemed applicable to the Committee meeting with all necessary adjustments having been made thereto.
- 4.3 Directors and other senior executives shall be invited to attend the Committee meeting if

necessary.

- 4.4 The Company should provide sufficient resources to the Committee for the performance of its duties. The Committee may consult independent professionals at the Company's expense if necessary.
- 4.5 The quorum of a meeting shall be at least two members of the Committee, at least one of whom is an independent non-executive director of the Company.
- 4.6 Before a Committee meeting, the members shall report their interests in the matters to be discussed at the meeting. If any matters to be discussed involve conflicts of interests with a member or any of his/her associates (as defined in the Listing Rules), the member shall neither vote and nor be counted towards the quorum.

5 DUTIES AND AUTHORITY

- 5.1 The duties and authority of the Committee shall include but shall not be limited to the following:
 - (a) to develop and formulate a policy for the nomination and appointment of directors of the Company (the "**Nomination Policy**") for the Board's consideration and approval;
 - (b) to review the structure, size, composition and diversity (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board and make recommendations regarding any proposed changes to the Board in line with the Company's strategies;
 - (c) to identify suitable candidates for appointment as directors of the Company and select or make recommendations to the Board on the selection of candidates nominated for directorships with due regard to the Nomination Policy, the board diversity policy of the Company (the "**Board Diversity Policy**") and other relevant factors (including but not limited to the candidate's ability to contribute to the effectiveness of the Board in carrying out its responsibilities set out in the Articles, the Listing Rules and other applicable rules and regulations);
 - (d) to review, implement and monitor, as appropriate, the Nomination Policy and the Board Diversity Policy, and recommend such revisions to the Board for the Board's consideration and approval;
 - (e) to review measurable objectives that the Board has set for implementing any of the Nomination Policy and the Board Diversity Policy, and monitor the progress on achieving such objectives;
 - (f) to assess the independence of independent non-executive directors with reference to the factors set out in the Listing Rules and any other factors as may be determined by the Committee or the Board from time to time as appropriate and assess their ability to devote sufficient time to the Board and Board committees;
 - (g) to make recommendations to the Board on appointment or re-appointment of and succession planning for directors; and
 - (h) any other duties and authority which may be assigned or granted to the Committee by the Board from time to time.

6 REPORTING PROCEDURE

- 6.1 Minutes of the Committee meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the company secretary of the Company), and such minutes shall be available for inspection at any reasonable time on reasonable notice by any director

of the Company.

- 6.2 Minutes of meetings of the Committee shall record in sufficient details the matters considered by the Committee and decisions reached, including any concerns raised by directors, members or dissenting views expressed. Draft and final versions of the minutes shall be sent to all members of the Committee for their comments and records respectively within a reasonable time after a meeting.
- 6.3 Without prejudice to the generality of the duties of the Committee set out in these Terms of Reference, the Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.

7 ANNUAL GENERAL MEETING

If required by the Board, the chairman of the Committee (or in his absence, another member of the Committee or his/her duly appointed representative) shall attend the Annual General Meeting of the Company and be prepared to respond to any shareholder's question on the Committee's activities and its responsibilities.

8 POWERS OF THE BOARD

- 8.1 The power to interpret these Terms of Reference shall vest in the Board.
- 8.2 These Terms of Reference (as amended from time to time) shall come into force after being reviewed and approved by the Board.

9 NOMINATION POLICY

The provisions set out in paragraphs 5.1(b), (c), (f) and (g), 9, 10, and 11 are regarded as the key nomination principles, criteria, and procedures of the Company for the nomination of directors, and these provisions constitute the Nomination Policy.

10 NOMINATION CRITERIA

- 10.1 In assessing the suitability of a proposed candidate for directorship, the factors listed below should be used as reference by the Committee:
- (a) reputation for integrity;
 - (b) accomplishment, experience and reputation in the business and industry;
 - (c) commitment in respect of sufficient time, interest and attention to the businesses of the Group;
 - (d) merit and potential contributions that such candidate may bring to the Company and the Board;
 - (e) diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
 - (f) in case of a candidate for an independent non-executive director, compliance with the criteria of independence, as prescribed under Rule 3.13 of the Listing Rules;
 - (g) board succession planning considerations and the long-term needs of the Company; and
 - (h) any other relevant factors as may be determined by the Committee or the Board from time to time as appropriate.
- 10.2 These factors are for reference only, and not meant to be exhaustive and decisive. The

Committee has the discretion to nominate any person as it considers appropriate.

- 10.3 The appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board shall be made in accordance with the Articles and other applicable rules and regulations.
- 10.4 The Committee may adopt any process it deems appropriate in evaluating the suitability of the candidates, such as conducting interviews, background checks, presentations and third-party reference checks.

11 NOMINATION PROCEDURES

- 11.1 The chairman of the Committee shall, upon his/her own motion or receipt of a nomination from a Board member (as the case may be), convene a meeting of the Committee or circulate a resolution in writing to the members of the Committee to consider the same in accordance with these Terms of Reference.
- 11.2 If a shareholder wants to propose a candidate to the Board for consideration, he/she/it shall refer to the "Procedures for a Shareholder to Propose a Person for Election as a Director", which is available on the Company's website.
- 11.3 For filling a casual vacancy to the Board or as an addition to the Board, the Committee shall conduct the relevant selection process (coupled with the relevant selection criteria) against the nominated candidate and make recommendations to the Board for consideration, and the Board shall then make a decision as to whether the nominated candidate shall be eligible to be appointed as a director of the Company
- 11.4 For re-appointing a director of the Company:
 - (a) subject to paragraph 11.4(b) below, the Committee shall conduct the relevant selection process (coupled with the relevant selection criteria) against the director proposed to be re-appointed and make recommendations to the Board for consideration, and the Board shall then make a decision as to whether the director shall be eligible to be re-appointed as a director of the Company; and
 - (b) if the director proposed to be re-appointed or re-elected due to retirement by rotation under the Articles is an independent non-executive director of the Company who has served the Board for more than nine (9) years, the Committee shall also assess whether the director has remained independent in the context of the Listing Rules and should be re-elected at the next general meeting of the Company and make recommendations to the Board for consideration. The Board shall then make a decision as to whether the director has remained independent in the context of the Listing Rules, and if so, recommend the proposed re-appointment/re-election of the director to the Company's shareholders for consideration at the next general meeting of the Company. According to Code Provision A.4.3 of Appendix 14 to the Listing Rules, the Company's circular relating to the proposed re-appointment of such director shall include the reasons why the Board believes that the director is still independent and should be re-elected.
- 11.5 The Board is ultimately responsible for the selection and appointment or recommendation (as the case may be) of candidates for the Company's directorship after taking into consideration of the recommendations from the Nomination Committee.

12 REVIEW

The Committee shall conduct regular review on the structure, size and composition of the Board, the Board Diversity Policy, and the Nomination Policy and where appropriate, make recommendations on changes to the Board for consideration and approval.

13 DISCLOSURE

A summary of the Nomination Policy shall be disclosed in the Company's corporate governance report contained in its annual report.

14 OTHERS

The English version and the Chinese version of these Terms of Reference shall be published on the Company's website and the Stock Exchange's website.