

# **Chevalier International Holdings Limited**

## **Terms of Reference of the Nomination Committee**

### **1. Constitution**

- 1.1 The Board of Directors (the “Board”) of Chevalier International Holdings Limited (the “Company”) established a committee of the Board known as the Nomination Committee (the “Committee”) on 21 March 2012.
- 1.2 Effective date of these terms of reference: Adopted by the Board on 26 June 2017.

### **2. Membership**

- 2.1 The members of the Committee shall be from time to time appointed by the Board and shall comprise at least 3 members, majority of whom shall be Independent Non-Executive Directors in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).
- 2.2 If a regular member is unable to act due to absence, illness or any other cause, he may appoint another Independent Non-Executive Director of the Company to serve as an alternate member.

### **3. Chairman**

- 3.1 The Chairman of the Committee shall be appointed by the Board and either be the Chairman of the Board or an Independent Non-Executive Director appointed by the Board.
- 3.2 The Chairman of the Committee shall chair the meetings of the Committee.
- 3.3 In the absence of the Chairman of the Committee and/or an appointed deputy, the remaining members present at the meeting shall elect one of themselves to chair the meeting.

### **4. Secretary**

- 4.1 The Company Secretary or any other person invited by the Committee shall act as the Secretary of the Committee to take minutes. In the absence of the Secretary of the Committee, the members present at the meeting of the Committee shall elect another person as the Secretary.

### **5. Quorum and Resolutions**

- 5.1 The quorum necessary for the transaction of business shall be any two members and:
  - a. If only two members are in attendance, at least one member shall be an Independent Non-Executive Director; and
  - b. If more than two members are in attendance, then a majority of the members shall be Independent Non-Executive Directors.

- 5.2 A member participating in a Committee meeting through electronic communications device shall be counted for the purpose of the quorum as far as the member is able:
- a. To hear each of the other participating member(s) addressing the meeting; and
  - b. If he/she so wishes, to address all of the other participating member(s) simultaneously.
- 5.3 The Secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The member or any of his/her close associates who has a material interest shall not be counted towards the quorum and he/she must abstain from voting on any resolution of the Committee in which he/she and/or his/her close associates have a material interest.
- 5.4 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.
- 5.5 Each resolution at a meeting of the Committee shall be determined by a majority of votes of the Committee members present. In case of an equality of votes, the Chairman of the meeting shall have a casting vote.

## **6. Frequency of Meetings**

- 6.1 The Committee shall meet at least once each year and as the Chairman of the Committee shall require.
- 6.2 Any member of the Committee may request a meeting if he/she considers that one is necessary. The request shall be made to the Secretary of the Committee.

## **7. Attendance at and Attendees of Meetings**

- 7.1 Members of the Committee may attend meetings of the Committee either in person or through electronic means of communication.
- 7.2 Should any member of the Committee wish to attend a meeting through electronic communications, prior arrangements shall be made with the Secretary of the Committee.
- 7.3 Other than members of the Committee, the Chairman of the Board, the Managing Director, the Executive Director, Group Human Resources Manager, external advisers and any other person(s) if invited by the Committee shall attend meetings, but they cannot vote or be counted towards the quorum for any matter to be resolved by the Committee.

## **8. Notice of Meetings**

- 8.1 Meeting of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.
- 8.2 Unless otherwise agreed, notice of each meeting confirming the venue, date and time shall be forwarded to each member of the Committee, and to any other person required to attend:
- a. In relation to all regular meetings of the Committee, at least 3 business days before the date of the meetings; and
  - b. In relation to all other meetings of the Committee, within a reasonable time prior to the date of the meeting.

- 8.3 Supporting papers of meetings shall be sent to Committee members and to other attendees, as appropriate, within a reasonable time before the holding of the meeting.
- 8.4 Each member of the Committee shall be entitled, by notice to the Secretary of the Committee, to include other matters relevant to the functions of the Committee in the agenda of the Committee meeting.

## **9. Minutes of Meetings**

- 9.1 The Secretary of the Committee (or his/her delegate) attending the meetings of the Committee shall minute in sufficient detail the proceedings and resolutions of all such meetings. The minutes should also include any concerns raised by any member of the Committee and/or dissenting views expressed.
- 9.2 Draft minutes of each meeting shall be sent to the Committee members present at the meeting for comments within a reasonable time after the meeting.
- 9.3 A final version of the minutes of each meeting shall be sent to the Committee members present at the meeting for signature and shall be copied to each other member absent from the meeting for reference, attention and/or follow up.
- 9.4 Minutes of the meetings should be kept by the Secretary of the Committee and shall be available for inspection by any member of the Committee or Director at any reasonable time on reasonable notice.

## **10. Annual General Meeting**

- 10.1 The Chairman or in his absence, another member of the Committee, or failing this his duly appointed delegate shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

## **11. Duties, Powers and Functions**

- 11.1 The duties of the Committee shall be:
  - a. to formulate nomination strategy for the Board's consideration and implement the Board's approved nomination strategy;
  - b. to review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, race, skills, knowledge, regional, industry and professional experience and length of service) of the Board at least annually; and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
  - c. 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;
  - d. to assess the independence of each newly proposed Independent Non-Executive Directors and the existing Independent Non-Executive Directors on an annual basis or as and when the Committee considers necessary;
  - e. taking into account the Company's corporate strategy and mix of skills, knowledge, experience and diversity needed in the future, 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;

- f. where the Board proposes a resolution to elect an individual as an Independent Non-Executive Director 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 why they believe he should be elected and the reasons why they consider the individual to be independent;
  - g. if a Director has been serving the Board as an Independent Non-Executive Director for more than 9 years and will make himself available for re-election at a general meeting of the Company, to consider if such Director remains independent and suitable to continue to act as an Independent Non-Executive Director and to make recommendations to the Board on such nomination strategy;
  - h. to review the Board Diversity Policy, as appropriate; and review the measurable objectives that the Board had set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and make disclosure of its review results in the Corporate Governance Report annually;
  - i. to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
  - j. to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Company's constitution or imposed by legislation.
- 11.2 The Committee shall ensure that no Director or any of his/her close associates shall be involved in any decisions as to his/her own directorship.
- 11.3 The Committee should be provided with sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice at the Company's expenses, to perform its responsibilities.
- 11.4 The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it reasonably requires from any officer or executive of the Company and all officers and executives are directed to co-operate with any reasonable request made by the Committee.

## **12. Reporting Responsibilities**

- 12.1 The Committee shall report to the Board on a regular basis. At the next Board meeting following a Committee's meeting, the Committee's Chairman shall report the Committee's findings and recommendations to the Board.
- 12.2 The Committee shall make recommendations to the Board that it deems appropriate on any area within its remit where action or improvement is needed.

## **13. Frequency of Review**

- 13.1 This Terms of Reference should be reviewed on a continuous basis and when necessary, can be revised by the Board from time to time.

## **14. Disclosure and Publication**

- 14.1 The terms of reference will be posted on the websites of the Company and Hong Kong Exchanges and Clearing Limited.