

# **Chuan Holdings Limited**

川 控 股 有 限 公 司 \*

(the “Company”)

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 1420)

## **NOMINATION COMMITTEE’S TERMS OF REFERENCE**

### **REVISED AND APPROVED BY THE BOARD OF DIRECTORS OF THE COMPANY ON 4 DECEMBER 2018**

The board of directors (the “**Board**”) of the Company has on 10 May 2016 establish a committee of the Board known as the Nomination Committee (the “**Nomination Committee**”), with effect from the listing date of the Company, a summary of its constitution and particular duties are set out below:–

#### **1. FUNCTIONS**

The primary function of the Nomination Committee is to make recommendations to the Board to fill vacancies on the same.

#### **2. MEMBERSHIP**

2.1 The members of the Nomination Committee shall be appointed by the Board from amongst the directors of the Company and the Nomination Committee shall consist of not less than three members, the majority of which shall be independent non-executive directors.

2.2 The chairman of the Nomination Committee (the “**Chairman**”) shall be appointed by the Board. The Chairman must be the chairman of the Board or an independent non-executive director.

\* *For identification purposes only*

2.3 The Chairman, in consultation with the person responsible for Human Resources or financial controller and the secretary of the Nomination Committee, should be primarily responsible for drawing up and approving the agenda for each Committee meeting. The Chairman, with the assistance of the secretary, shall ensure that all members shall receive sufficient information in a timely manner to enable effective discussion at the Committee meeting. the Chairman shall, with the assistance of the person responsible for Human Resources or financial controller, brief all members on issues arising at each Committee meeting.

### **3. SECRETARY OF NOMINATION COMMITTEE**

The company secretary of the Company or his or her nominee shall be the secretary of the Nomination Committee.

### **4. ATTENDANCE AT MEETINGS**

4.1 The Nomination Committee may invite any executive directors, member of senior management or other individual to attend meetings of the Nomination Committee as it considers appropriate but such executive directors, member of senior management or other individuals are not entitled to vote at the meetings.

4.2 A quorum shall be two members. Other board members, apart from the Nomination Committee members, have the right to attend any Nomination Committee meetings, though they shall not be counted in the quorum.

4.3 No director should be involved in and shall abstain from discussion in deciding the nomination of his associates.

4.4 Only the member of the nomination committee can vote in the meeting.

## **5. FREQUENCY OF MEETINGS**

- 5.1 The Nomination Committee members may call any meetings at any time when necessary. Meetings of the Nomination Committee shall be held at least once a year.
- 5.2 Notice of at least 14 days should be given for any meeting, unless such notification is waived by all members of the nomination committee. Notwithstanding the notification period, the attendance of the member of the committee at the meeting would deem to be treated as the waiver of the required notification requirement. If the follow up meeting takes place within 14 days after the meeting, then no notification is required for such follow up meeting.
- 5.3 Meeting can be attended in person or via electronic means including telephone or videoconferencing. The members of the nomination committee can attend the meeting via telephone or any similar communication device (all persons attending such meeting should be able to hear from such member via such communication device).
- 5.4 Resolutions of the nomination committee shall be passed by more than half of the members.
- 5.5 The resolution passed and signed by all members of nomination committee is valid, and the validity is same as any resolution passed in the meeting held.
- 5.6 Full minutes of nomination committee meeting should be kept by a duly appointed secretary of the nomination committee and be available for review by the directors. Draft and final versions of minutes of the meeting should be sent to all committee members for their comment and records, within a reasonable time after the meeting.

## **6. ANNUAL GENERAL MEETING**

The chairman or chairlady of nomination committee or (if absent) the other member of nomination committee (must be an independent non-executive director) should attend the annual general meeting of the Company, handled the shareholders' enquiry on the activities and responsibilities related to the nomination committee.

## **7. AUTHORITY**

- 7.1 The authority of the Nomination Committee is derived from the Board, therefore the Nomination Committee is obliged to report to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions in doing so.
- 7.2 The Nomination Committee is authorized by the Board to seek any necessary information which is within the Nomination Committee's scope of duties from the employees.
- 7.3 The Nomination Committee is authorised by the Board to make full use of intermediary agencies for identifying qualified director candidates at the Company's expense and to conduct interviews with prospective candidates for nomination.
- 7.4 The Company should provide the Nomination Committee sufficient resources to perform its duties. The Nomination Committee is authorized by the Board to obtain outside independent professional advice at the Company's expense, and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.

## **8. DUTIES**

The duties of the Nomination Committee shall include, but shall not be limited to the following:

- 8.1 to 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;

- 8.2 to review the policy on Board diversity (the “**Board Diversity Policy**”) and any measurable objectives for implementing such Board Diversity Policy as may be adopted by the Board from time to time and to review the progress on achieving the objectives; and to make disclosures of its progress its review results in the annual report of the Company annually;
- 8.3 to review the policy for nomination of directors and to make disclosure of the summary of nomination policy in annual report of the Company annually; and
- 8.4 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;
- 8.5 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;
- 8.6 to assess the independence of independent non-executive directors;
- 8.7 to develop and recommend to the Board measurable objectives for achieving diversity on the Board and monitor the progress on achieving those objectives;
- 8.8 to identify and nominate candidates to fill casual vacancies of the directors for the Board’s approval;
- 8.9 to ensure that each director should be nominated by means of a separate resolution in meetings of the Board and/or the general meetings of the Company, as appropriate;
- 8.10 to do any such things to enable the Nomination Committee to perform its functions conferred on it by the Board;

8.11 where the Chairman or in the absence of the Chairman, another member of the Committee or failing this his duly appointed delegate, should be available to answer questions at the annual general meeting; and

8.12 where the Board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, the Nomination Committee should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:

- the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;
- if the proposed independent non-executive director will be holding their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;
- the perspectives, skills and experience that the individual can bring to the Board; and
- how the individual contributes to diversity of the Board.

## **9. REPORTING RESPONSIBILITIES AND PROCEDURES**

9.1 The secretary of the Nomination Committee shall record minutes of all duly constituted meetings of the Nomination Committee. All minutes shall record in sufficient details the matters considered, decisions reached or recommendations made and any concerns raised by any member including dissenting views.

9.2 The secretary shall circulate the draft and final versions of the minutes of meetings and reports of the Committee to all members for comments and records within a reasonable time after each meeting, subject to any legal or regulatory restrictions restricting such circulation or the making of such reports.

9.3 After each meeting, the Nomination Committee shall report formally to the Board on all matters within its duties and responsibilities and any key decisions made, and shall table before the Board an index of meetings and issues discussed.

9.4 The Nomination Committee should make available these terms of reference by including them on the Stock Exchange's website and the Company's website.

## **10. INTERPRETATION**

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

*“Senior management” refers to the same category of persons as referred to in the Company’s annual report. It is the responsibility of the directors of the Company to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries, heads of divisions, departments or other operating units within the group as, in the opinion of the directors, is appropriate.*