

CHINA AUTOMATION GROUP LIMITED
中國自動化集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 569)

TERMS OF REFERENCE FOR THE NOMINATION COMMITTEE

(Amended by the Board on 28 December 2018)

FORMATION

The nomination committee (the “Committee”) was formed pursuant to the board resolution of China Automation Group Limited (the “Company”) passed on 16 June 2007.

COMPOSITION AND QUORUM

The Committee members shall be appointed by the board of directors of the Company (the “Board”) amongst the directors of the Company. A majority of the Committee members should be independent non-executive directors.

Members : The Committee shall consist of not less than 3 members.

Quorum : 2 members

The chairman of the Committee shall be appointed by the Board and should be the Chairman of the Board or an independent non-executive director of the Company.

The meetings and proceedings are governed by the provisions contained in the articles of association of the Company for regulating meetings and proceedings of Directors.

AUTHORITY

1. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
2. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

DUTIES

The duties of the Committee shall include: –

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, and disclose such policy, including any measurable objectives that the Committee has set for implementing the policy and progress on achieving those objectives, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (including disclosure in the Company’s corporate governance report as appropriate);

2. to develop and maintain a policy for the nomination of Board members which includes the nomination procedures and the process and criteria adopted by the Committee to identify, select and recommend candidates for directorship during the year, and to review periodically and disclose the policy and the progress made towards achieving the objectives set in the policy pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (including disclosure in the Company's corporate governance report as appropriate);
3. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorship;
4. to assess the independence of independent non-executive directors;
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;
6. 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 (i) the process used for identifying the individual and why the Board believes the individual and the reasons why it considers the individual to be independent; (ii) 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; (iii) the perspectives, skills and experience that the individual can bring to the Board; and (iv) how the individual contributes to diversity of the Board; and
7. to consider other topics as defined by the Board.