

PACIFIC ANDES INTERNATIONAL HOLDINGS LIMITED
(the “Company”)

Terms of Reference
of
Nomination Committee
(revised and adopted on 3 January 2019)

The Nomination Committee (“NC”) was formed by the board of directors of the Company (the “Board”) for the purpose of formulating the nomination procedures and criteria to be adopted by the Company for selection and recommendations to the Board on all Board members’ appointments to ensure a formal and transparent process.

1. The terms of reference of the NC

- a. The NC shall regularly review the structure, size and composition (including the skills, knowledge, experience and diversity of perspective) of the Board and the balance between the executive and non-executive directors at least annually and make recommendations to the Board in relation to any adjustments that are considered necessary so as to complement the Company’s corporate strategy.
- b. The NC shall be responsible for identifying and nominating candidates suitably qualified to become a Board member for the approval by the Board.
- c. The NC shall assess the independence of the independent non-executive directors of the Company.
- d. The NC shall make recommendations to the Board on the appointment or reappointment of directors and to put in place a succession plan for directors, in particular for the Chairman and the Managing Director.
- e. The NC shall assess the effectiveness of the Board as a whole and decide how the Board’s performance may be evaluated by proposing objective performance criteria.
- f. The NC shall review the policy on the Board diversity and the measurable objectives for implementing such policy from time to time adopted by the Board and to review the progress on achieving these objectives and to make recommendation to the Board for approval.

- g. 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 should be elected 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.

2. Membership

- a. The NC shall consist of at least three members appointed by the Board, a majority of whom shall be independent non-executive directors. The NC shall be chaired by the Chairman of the Board or an independent non-executive director.
- b. If a member, for any reason, ceases to be a member of the NC, the Board shall appoint a new member so that the number of members does not fall below 3.
- c. A member who wishes to retire or resign from the NC shall notify the Board in writing, giving at least 7 days' notice.
- d. The office of a member shall become vacant upon the member's resignation/retirement/removal or disqualified as a director of the Company, unless resolved to the otherwise by the Board.
- e. The company secretary of the Company or such other person as nominated by the NC shall be the Secretary of the NC ("Secretary").

3. Proceedings

- a. Unless varied by these terms of reference, meetings and proceedings of the NC will be governed by the Company's Bye-laws regulating meetings and proceedings of directors and committees of the Board.
- b. Minutes of meetings shall be taken by the Secretary. Minutes of all meetings shall be confirmed by the Chairman of the meeting and circulated to all the members of the NC.
- c. If the Chairman of the NC so decides, the minutes shall be circulated to other members of the Board. Any director may, provided that there is no conflict of interest and with the agreement of the Chairman, obtain copies of the NC's minutes.

4. General

- a. The NC in carrying out its tasks under these terms of reference may obtain at the Company's expenses such internal, external or other independent professional advice as it considers necessary to carry out its duties.
- b. Subject to the approval of the Board, these terms of reference may from time to time be amended, as required.