



## **TUNGTEX (HOLDINGS) COMPANY LIMITED**

**(the “Company”)**

### **TERMS OF REFERENCE**

**OF**

### **THE NOMINATION COMMITTEE**

#### **Constitution**

The board of directors of the Company (the “Board”) has resolved to establish a Committee of the Board to be known as the Nomination Committee (the “Committee”).

#### **Membership**

1. The Committee shall consist of not less than three members appointed by the Board, a majority of whom shall be independent non-executive directors.
2. 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.
3. The Company Secretary of the Company or his/her delegate shall be the secretary of the Committee.

#### **Frequency and proceedings of meetings**

4. The Committee shall meet as its business requires and as determined by its members. The Committee shall meet at least once a year.
5. The quorum for a meeting shall be two members.

6. Proceedings of meeting of the Committee shall be governed by the provisions contained in the Company's Articles of Association for regulating the meetings.
7. Full minutes shall be kept by the secretary of the Committee. Draft and final versions of minutes shall be circulated to all members of the Committee for their comments and records respectively, within a reasonable period of time after the meeting. Such minutes shall be open for directors' inspection.

### **Authority**

8. The Committee shall be provided with sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.
9. The Committee is authorized to perform any activity within its terms of reference.

### **Duties, powers and functions**

10. The duties, powers and functions of the Committee are as follows:
  - (a) to review the structure, size, composition and diversity (including but not limited to gender, age, cultural and educational background, professional and industry experience, skills and knowledge, ethnicity, length of service and other qualities of directors) of the Board at least annually and make recommendations on any proposed changes to the Board to implement the Company's corporate strategy;
  - (b) 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 based on merit against objective criteria and with due regard for the benefits of diversity on the Board;
  - (c) to assess the independence of independent non-executive directors. 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 the individual should be elected and the reasons why they consider the individual to be independent;

- (d) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the Chairman of the Board and the managing director, taking into consideration the Board's business strategy and existing composition in terms of balance of skills, experience and diversity of perspectives;
- (e) to review the Board Diversity Policy, as appropriate; to review the measurable objectives that the Board has set for implementing the Board Diversity Policy; to monitor the progress on achieving the objectives; and to make disclosure of its review results on the Board Diversity Policy of the Company in the Corporate Governance Report annually;
- (f) to review the policy for the nomination of directors, which includes the nomination procedures and the process and criteria to select and recommend candidates for directorship and to make disclosure of its review results on the nomination policy of the Company in the Corporate Governance Report annually; and
- (g) to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board.

### **Reporting Procedures**

11. The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the Chairman of the Committee shall report the findings and recommendations of the Committee to the Board, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).

**Note:** *If there is any inconsistency between the English and Chinese versions of this Terms of Reference, the English version shall prevail.*

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March 7, 2019