

CHANGSHOUHUA FOOD COMPANY LIMITED

長壽花食品股份有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1006)

TERMS OF REFERENCE

FOR NOMINATION COMMITTEE

1. Purpose

The nomination committee (the “**Committee**”) of Changshouhua Food Company Limited (the “**Company**”) is to identify, screen and recommend to the board of directors (the “**Directors**”) of the Company (the “**Board**”) appropriate candidates to serve as Directors of the Company, to review the structure, size and diversity of the Board and recommend to the Board nomination guidelines for the Company.

2. Membership

- 2.1 A majority of independent non-executive Directors.
- 2.2 The independent non-executive Directors appointed to the Committee must have been determined by the Board to be independent as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), as they may be amended from time to time.
- 2.3 Subject to the requirements of the Listing Rules, the Board may appoint and remove Members in accordance with the Articles of Association of the Company (“**Articles of Association**”). Members will serve for such terms as the Board may fix, and in any case at the will of the Board, whether or not a specific term is fixed. The Board may remove Members at its sole discretion.
- 2.4 The chairman of the Committee (the “**Chairman**”) shall be appointed by the Board and whom shall be the chairman of the Board or an independent non-executive Director, or if the Board does not do so, the Members will appoint a Member as Chairman by a majority vote of the authorized number of Members.

3. Meetings

3.1 Frequency

The Committee shall meet as often as it determines necessary. Any Member, or the Secretary (as defined below) on requisition of any Member may call a meeting of the Committee.

3.2 Notice

Notice of any meetings of the Committee has to be given to all Members prior to any such meeting being held in accordance with the Articles of Association. Notice of a meeting of the Committee shall be deemed to be duly given to a Member if it is given to such Member in writing or verbally (including in person or by telephone) or via electronic mail or by telephone or in such other manner as the Board may from time to time determine.

3.3 Quorum

The quorum for decisions of the Committee shall be any two Members.

3.4 Resolutions

Resolutions of the Committee shall be passed by a majority of votes, or by way of written resolutions signed by all of the Members in accordance with the Articles of Association. In the case of any equality of votes, the Chairman shall have an additional or casting vote. Members may participate in any meeting of the Committee by means of a conference telephone or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously.

3.5 Minutes

Full minutes of the Committee meetings shall be kept by the Secretary (as defined below) (who shall attend each meeting). Draft and final versions of minutes of meetings of the Committee shall be sent to all Members for their comments and records respectively, in both cases within a reasonable time after the meeting.

3.6 Procedures

The Committee may establish its own procedures, including the formation and delegation of authority to subcommittees, in a manner not inconsistent with these terms of reference, resolutions of the Board, the Articles of Association of the Company and other corporate governance documents, the Listing Rules and applicable laws or regulations.

3.7 Chairman

The Chairman (or if he or she is not present within five (5) minutes after the time appointed for holding a meeting, a Member appointed to be Chairman by the Members present) shall preside at all meetings of the Committee. The Chairman shall be responsible for leadership of the Committee.

3.8 Secretary

The company secretary of the Company shall be the secretary of the Committee (the “**Secretary**”).

3.9 Access to management

The Committee shall have full access to management. The Committee may invite members of management or others to attend the meetings of the Committee and provide pertinent information as appropriate.

4. Duties

The duties of the Committee shall include the following:-

- 4.1 To review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge 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;
- 4.2 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. In identifying suitable candidates, the Committee shall consider candidates on merit and against the object criteria, with due regard for the benefits of diversity on the Board;
- 4.3 To assess the independence of independent non-executive Directors;
- 4.4 Review the Board Diversity Policy, as appropriate; and review the measurable objectives that the Board has 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; and
- 4.5 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, taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future, together with the Board, as appropriate.

5. Authority and Reports

- 5.1 The Committee shall report directly to the Board.
- 5.2 The Company should provide the Committee sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.
- 5.3 The Committee shall have the authority to retain and terminate any search firm to be used to identify Director candidates and shall have the authority to approve the search firm's fees and other retention terms.
- 5.4 The Committee shall have the authority to obtain advice and assistance from internal or external legal, accounting or other professional advisors at the expense of the Company to assist in its carrying out of its duties.

6. Nomination Policy and Procedure

- 6.1 To ensure changes to the Board composition can be managed without undue disruption, there should be a formal, considered and transparent procedure for selection, appointment and re-appointment of directors, as well as plans in place for orderly succession (if considered necessary), including periodical review of such plans. The appointment of a new director (to be an additional director or fill a casual vacancy as and when it arises) or any re-appointment of directors is a matter for decision by the Board upon the recommendation of the proposed candidate by the Nomination Committee.
- 6.2 The criteria to be applied in considering whether a candidate is qualified shall be his or her ability to devote sufficient time and attention to the affairs of the Company and contribute to the diversity of the Board as well as the effective carrying out by the Board of the responsibilities which, in particular, are set out as follows:-
- (a) participating in Board meetings to bring an independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
 - (b) taking the lead where potential conflicts of interests arise;
 - (c) serving on the audit committee, the remuneration committee and the Nomination Committee (in the case of candidate for non-executive director) and other relevant Board committees, if invited;
 - (d) bringing a range of business and financial experience to the Board, giving the Board and any committee on which he or she serves the benefit of his or her skills, expertise, and varied backgrounds and qualifications and diversity through attendance and participation in the Board/committee meetings;
 - (e) scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;
 - (f) ensuring the committees on which he or she serves to perform their powers and functions conferred on them by the Board; and

(g) conforming to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitutional documents of the Company or imposed by legislation or the Listing Rules, where appropriate.

6.3 If the candidate is proposed to be appointed as an independent non-executive director, his or her independence shall be assessed in accordance with, among other things, the factors as set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time. Where applicable, the totality of the candidate's education, qualifications and experience shall also be evaluated to consider whether he or she has the appropriate professional qualifications or accounting or related financial management expertise for filling the office of an independent non-executive director with such qualifications or expertise as required under Rule 3.10(2) of the Listing Rules.

(Adopted by the Company pursuant to the Board's resolution passed on 23 November 2009, revised by the Company pursuant to the Board's resolution passed on 21 December 2011 and further revised by the Company pursuant to the Board's resolution passed on 22 August 2013 and by board resolution passed at the Board meeting held on 27 March 2019)