

POLYTEC ASSET HOLDINGS LIMITED

(the “Company”)

Terms of Reference of Nomination Committee

1. Constitution

- 1.1 The Board of Directors of the Company (the “**Board**”) resolved on 28 August 2012 to establish a committee of the Board to be known as the Nomination Committee (hereinafter referred to as the “**Committee**”).
- 1.2 The Committee is established under delegation from the Board pursuant to Article 137 of the Company’s Articles of Association.

2. Membership

- 2.1 Members of the Committee shall be appointed by the Board and shall consist of not less than three members. A majority of the members should be Independent Non-executive Directors.
- 2.2 The chairman of the Board should be the chairman of the Committee (the “**Chairman**”).

3. Secretary

- 3.1 The Company Secretary or such other person with appropriate qualification and experience as appointed by the Committee from time to time shall act as the Secretary of the Committee.

4. Frequency and proceedings of meetings

- 4.1 The Committee shall meet at least once every year before the holding of the Company’s annual general meeting where appointment or re-appointment of Directors will be considered. Additional meetings shall be held as the work of the Committee demands.
- 4.2 The Chairman may convene additional meetings at his discretion.
- 4.3 The quorum of a meeting shall be two members of the Committee.

4.4 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.

(Note: Arrangement to seek professional advice could be made through the Company Secretary.)

4.5 The Committee may, from time to time, invite advisers or such other persons as it thinks necessary to attend meetings.

4.6 Proceedings of meetings of the Committee shall be governed by the provisions of Article 139 of the Articles of Association of the Company.

5. Annual General Meeting

5.1 The Chairman or another member of the Committee shall attend the Company's annual general meeting and be prepared to respond to shareholders' questions on the Committee's activities and their responsibilities.

5.2 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.

6. Responsibilities, powers and functions

6.1 The Committee shall formulate a nomination policy and a policy concerning diversity of board members for consideration of the Board and implement the aforesaid policies laid down by the Board. The Committee shall also disclose the policy on diversity or a summary of it as well as the nomination policy in the corporate governance report.

6.2 Without prejudice to the generality of the foregoing, the Committee shall:-

- (i) 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;

- (ii) identify and nominate candidates suitably qualified to become Board members and select or make recommendations to the Board on the selection of candidates nominated for directorships. Sufficient biographical details of nominated shall be provided to the Board and shareholders to enable them to make an informed decision;
- (iii) assess the independence of Independent Non-executive Directors;
- (iv) 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;
- (v) do any such things to enable the Committee to discharge its powers, duties and functions conferred on it by the Board; and
- (vi) conform to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation.

7. Reporting Procedures

- 7.1 Minutes of meetings of the Committee shall be kept by the Secretary. Draft and final versions of minutes shall be circulated to all members for their comment and record respectively, in both cases within a reasonable period of time after the meetings. Such minutes shall be opened for Directors' inspection.
- 7.2 The Secretary shall circulate the minutes of meetings of the Committee to other members of the Board.
- 7.3 The Committee shall report to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so.
- 7.4 The Committee should, at least annually, present to the Board a summary of their work during the year.

8. Publication of the Terms of Reference

- 8.1 A copy of the terms of reference shall be made available on the website of the Company and of The Stock Exchange of Hong Kong Limited.

In case of inconsistency between the English version and its Chinese translation, the English version shall prevail.

(The terms of reference were approved by the Board on 27 March 2019)