

These Procedures are prepared in English. In the event that there is any discrepancy or inconsistency between the English version and the Chinese version, the English version shall prevail.



XIANGXING INTERNATIONAL HOLDING LIMITED

象興國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(the “**Company**” together with its subsidiaries, the “**Group**”)

(Stock code: 1732)

NOMINATION COMMITTEE TERMS OF REFERENCE

Adopted by the board (the “**Board**”) of directors (the “**Directors**”) of the Company on 13 February 2017, amended on 27 December 2018 and on 22 August 2019.

Membership

1. The members of the Nomination Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three members, a majority of whom should be INEDs. The quorum of a Nomination Committee meeting shall be any two members of the Nomination Committee, one of whom must be independent non-executive Director (the “**INED**”).
2. The Nomination Committee shall be chaired by the chairman of the Board or an INED.
3. The term of office of a member of the Nomination Committee shall be determined by the Board.
4. Subject to Rules 1 to 3 above, the Board may, from time to time, at its discretion, change the composition of the members of the Nomination Committee. An appointment of a member of the Nomination Committee shall be automatically revoked if such member ceases to be a member of the Board.

Secretary

5. The Nomination Committee may appoint the company secretary of the Company or any other person with appropriate qualification and experience as the secretary of the Nomination Committee. Full minutes of the meetings should be kept by the secretary.

Frequency and procedure of meetings

6. Unless otherwise stated herein, the meetings of the Nomination Committee are governed by the provisions regulating the meetings and proceedings of Directors in the Company's articles of association.
7. Unless otherwise agreed by all the Nomination Committee members, a meeting shall be called by at least 7 days' notice. Such notice shall be sent to each member of the Nomination Committee, and to any other person invited to attend. Irrespective of the length of notice being given, attendance of a Nomination Committee member at a meeting constitutes a waiver of such notice unless the Nomination Committee member attending the meeting attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the meeting has not been properly convened.
8. Meetings shall be held at least once a year. The chairman of the Nomination Committee shall convene a meeting upon request by any member of the Nomination Committee.
9. The quorum of a meeting shall be two members of the Committee, one of whom must be an INED.
10. The Nomination Committee members could attend the meetings in person, by telephone or by video conference. For the purpose of counting a quorum, such participation shall constitute presence as a meeting as if those participating were present in person.
11. An agenda and any accompanying Nomination Committee papers should be sent in full to all members of the Nomination Committee in a timely manner and at least three days before the proposed date of a meeting of the Nomination Committee (or other agreed period).
12. Resolutions of the Nomination Committee shall be passed by more than half of the members of the Nomination Committee.
13. A resolution in writing signed by all the members of the Nomination Committee shall be as valid and effectual as if it had been passed at a meeting of the Nomination Committee duly convened and held.
14. The Company is obliged to supply the members of the Nomination Committee with adequate information, in a timely manner, in order to enable them to make informed decisions. Where more detailed and complete information is requested from the Nomination Committee, the Board shall make further inquiries if needed. The Nomination Committee could contact the Board or individual Director(s) or senior management individually and independently.
15. The secretary of the Nomination Committee shall be the company secretary of the Company or his or her appointed delegate.

Annual General Meeting

16. The chairman of the Nomination Committee shall attend the annual general meeting and be prepared to respond to any shareholder's questions on the Nomination Committee's activities.
17. If the chairman of the Nomination Committee is unable to attend an annual general meeting of the Company, he or she shall arrange for another member of the Nomination Committee, or failing this, his or her duly appointed delegate, to attend in his or her place. Such person shall be prepared to respond to any shareholder's questions on the Nomination Committee's activities.
18. Where the Board proposes a resolution to elect an individual as an INED at the general meeting, it should set out in the circular to shareholders of the Company and/or explanatory statement accompanying the notice of the relevant general meeting the process used for identifying the individual and why the Board believes the individual should be elected, the reasons why the Board considers the individual to be independent, the perspectives, skills and experience that the individual can bring to the Board and how the individual contributes to diversity of the Board, and if the proposed INED will be holding his or her seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board.

Authority

19. The Nomination Committee is authorised by the Board to investigate any activity mentioned in these terms of reference. It is authorised to seek any information it requires from any employee of the Company and all employees are directed to co-operate with any request made by the Nomination Committee.
20. The Nomination Committee should be provided with sufficient resources to perform its duties. The Nomination Committee is authorised by the Board to obtain independent professional advice to perform its responsibilities, at the Company's expenses. The Nomination Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external consultant who advises the Nomination Committee.

Duties

21. The duties of the Nomination Committee shall include:

- (a) reviewing the structure, size and composition (including but not limited to skills, knowledge, profession experience, qualifications, gender, age, cultural, educational background, independence and diversity of perspectives) of the Board at least annually or when necessary and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) reviewing the policy on the Board diversity (the "**Board Diversity Policy**") and the measurable objectives for implementing the Board Diversity Policy from time to time adopted by the Board, and to review and monitoring the progress on achieving the objectives set out in the Board Diversity Policy;
- (c) developing and reviewing, as appropriate, the policy for the nomination of Directors (the "**Nomination Policy**") and disclosing the summary of the implemented Nomination Policy in the corporate governance report of the Company annually;
- (d) making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman of the Board having due regards to the Board Diversity Policy and the Nomination Policy;
- (e) assessing the independence of INEDs;
- (f) identifying and nominating individuals suitably qualified to become Directors and nominating or making recommendations to the Board on the selection of individuals nominated for directorship having due regards to the Board Diversity Policy and the Nomination Policy; and assessing the independence of INED;
- (g) where the Board proposes a resolution to elect an individual as an INED at the general meeting, the Nomination Committee should set out in the circular to shareholders of the Company and/or explanatory statement accompanying the notice of the relevant general meeting of the Company:
 - (1) 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;
 - (2) if the proposed INED 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;
 - (3) the perspectives, skills and experience that the individual can bring to the Board; and
 - (4) how the individual contributes to diversity of the Board.

22. The Nomination Committee shall also make recommendations to the Board concerning:
 - (a) formulating plans for succession for both executive and non-executive Directors;
 - (b) the Board Diversity Policy and the measureable objectives for implementing such policy;
 - (c) membership of the Company's audit and remuneration committees, in consultation with the chairmen of those committees; and
 - (d) the re-appointment of any non-executive Director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required.

Reporting procedures

23. The Nomination Committee should report to the Board, identify any matters in respect of which it considers that action or improvement is needed, and make recommendations as to the steps to be taken.
24. Full minutes of the Nomination Committee's meetings and all written resolutions of the Nomination Committee should be kept by the secretary of the Nomination Committee and such minutes or written resolutions shall be available for inspection at any reasonable time on reasonable notice by any Director.
25. Minutes of meetings of the Nomination Committee and all written resolutions of the Nomination Committee shall record in sufficient detail the matters considered by the Nomination Committee and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of minutes, or as the case may be, written resolutions of the Nomination Committee, should be sent to all members of the Nomination Committee for their comment and records respectively, within a reasonable time after such meetings.
26. At the next meeting of the Board following a meeting of the Nomination Committee, the Chairman of the Nomination Committee shall report to the Board on the works and recommendations of the Nomination Committee since the last Board meeting (if any). At least once annually, the Nomination Committee should present a report in writing to the Board which addresses the work of the Nomination Committee during the year.

Written Resolutions

27. Written resolutions may be passed by all Nomination Committee members in writing.

Provision of terms of reference

28. The Nomination Committee shall make available these terms of reference on request and by inclusion onto the The Stock Exchange of Hong Kong Limited's (the "**Stock Exchange**") website and the Company's website, thereby explaining the role of the Nomination Committee and the authority delegated to it by the Board.

Approval of Disclosure Statements

29. The Nomination Committee shall be responsible for approving all disclosure statements in relation to the Nomination Committee, including but not limited to relevant disclosure statements in annual reports, interim reports and information uploaded on the Stock Exchange's website and the Company's website.

Review of terms of reference

30. The Nomination Committee shall review these terms of reference annually, and may consider and submit to the Board any proposed changes that the Nomination Committee deems appropriate or advisable.

Interpretation

31. Interpretation of these terms of reference shall belong to the Board.

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