

# HORIZON CONSTRUCTION DEVELOPMENT LIMITED

## 宏信建設發展有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 9930)**

### **Terms of Reference of the Nomination Committee of the Board**

#### **CHAPTER 1 GENERAL PROVISIONS**

**Article 1** In order to comply with the codes and practices of corporate governance stipulated in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Stock Exchange”) (hereinafter referred to as the “Listing Rules”), further optimize the corporate governance structure of Horizon Construction Development Limited (hereinafter referred to as the “Company”), and enhance the decision-making function of the board of directors (hereinafter referred to as the “Board”), the Board of the Company has established the Nomination Committee under the Board (hereinafter referred to as the “Committee”) pursuant to the articles of association of the Company by board resolution and formulated the Rules.

**Article 2** The Committee shall report to the Board and be accountable to the Board. The Committee is granted the authority by the Board and is mainly responsible for investigating and making recommendations on the remuneration system and remuneration proposals of the Company, ensuring the transparency regarding the appointment and reappointment of members of the Board, and assessing the overall efficiency of the Board and contribution of individual directors to the Board.

#### **CHAPTER 2 COMPOSITION, APPOINTMENT AND REMOVAL OF THE COMMITTEE**

**Article 3** The majority members of the Committee shall be appointed by the Board amongst the independent non-executive directors of the Company, and the Committee shall comprise no less than three members.

**Article 4** The Committee shall have one chairman to be acted by an independent non-executive director upon election by the Board of the Company, responsible for presiding over the work of the Committee.

**Article 5** The members of the Committee shall have the same term of office as the directors. Upon expiry of their term, members may be re-elected. During which if members of the Committee no longer act as directors of the Company, they shall automatically lose their office as members of the Committee and the Board shall fill the vacancy in the Committee in accordance with the provisions under Article 3 to Article 4 above.

Any member of the Committee who fails to attend two consecutive committee meeting in person without appointing other members of the Committee to act on his behalf or notifying his absence in writing prior to the meeting, shall be deemed failure to perform duties of the member of the Committee. The Board may change the composition of the Committee in accordance with the Rules.

The Committee may make changes to the members of the Committee in office upon the passing of resolution by the Board.

**Article 6** In the event the Board proposes a resolution at the general meeting to elect a person as independent non-executive director, the circular to shareholders and/or explanatory statement attached to the notice convening the general meeting shall state:

- a. 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;
- b. 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;
- c. the perspectives, skills and experience that the individual can bring to the Board; and
- d. how the individual contributes to the diversity of the Board.

**Article 7** The Committee may establish a work group thereunder to take charge of the daily business of the Committee such as drafting and making recommendations on the remuneration system, remuneration proposals of the Company and composition of the Board of the Company, providing the relevant information of the Company and arranging expert consultation or attestation.

### **CHAPTER 3 TERMS OF REFERENCE**

**Article 8** The Committee shall:

- (i) review the structure, size and composition of the Board (including skills, knowledge, gender, age, cultural and educational background, independence and experience) at least annually; and make recommendations on any proposed changes to the Board to implement the Company's strategy. Make full consideration about the following matters before making proposals, to ensure the diversity of the Board:

The Board shall be composed of members with accounting or financial expertise, legal professional qualification, financial investment experience or industry experiences related to the Company;

- (ii) review the diversity policy of the Board and the measurable objectives that the Board has set for implementing such policy and the progress of achieving the objectives, as appropriate;
- (iii) develop, review and implement, as appropriate, the policy, criteria and procedures for the identification, selection and nomination of candidates for directorship for the Board's approval;
- (iv) identify individuals suitably qualified for election as directors, select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (v) assess the independence of independent non-executive directors;

- (vi) assess the performance of directors, and make recommendations to the Board on the appointment or reappointment of directors and succession planning of directors, in particular the chairman and chief executive officer;
- (vii) other matters required by laws, administrative regulations, statutes, relevant provisions of the securities regulatory authority of the locality where the shares of the Company are listed, and as may be authorized by the Board.

**Article 9** The Committee shall disclose its terms of reference on the website of the Stock Exchange and its website, explaining its role and the power delegated by the Board.

**Article 10** The Committee (or the Board) shall have a policy on diversity of Board members and disclose the diversity policy or a summary of the policy in the corporate governance report contained in the annual report.

#### **CHAPTER 4 WORK PROCEDURES**

**Article 11** Minutes of the committee meeting summarized by the secretary of the Committee shall be sent to all members of the Board after seeking comments from members of the Committee in respect of the contents of the report, and shall be reported and approved at the forthcoming board meeting.

**Article 12** The investor relations division of the Company should be responsible for preparing and providing the relevant information required for the committee meeting and organizing the relevant matters of the meeting.

#### **CHAPTER 5 RULES OF PROCEDURE**

**Article 13** The Committee shall convene no less than two meetings each year. Interim meetings may be called if members of the Committee consider necessary. The meeting shall be convened and chaired by the chairman. The chairman of the Committee failing to convene or preside over the meeting may appoint another member to convene or preside over the meeting on his behalf.

**Article 14** The investor relations division of the Company shall give at least 7 working days' notice to all members prior to the meeting of the Committee. Meetings of the Committee shall be held by more than one-half of the members attending the meeting. Each member shall have one voting right. Resolutions proposed at the meeting must be passed by more than one-half of all members of the Committee.

**Article 15** The Committee may invite directors, chief financial officer and other senior management of the Company and staff of the relevant departments of the Company to sit in on the meetings depending on the agenda of the meeting. Senior management shall refer to the same category of person mentioned in the annual report of the Company.

**Article 16** The Committee may appoint the company secretary or other person to act as secretary to the Committee to coordinate the specific affairs of the Committee.

**Article 17** The Company shall provide the Committee with sufficient resources to enable it to perform its functions. The Committee, if necessary, may seek independent professional advice in performing its duties and the expenses arising therefrom shall be borne by the Company upon approval from the Board.

**Article 18** In general, the committee meeting shall be convened in the form of physical meeting. In the event of contingencies, it may be convened in the form of written communication with the consent of the chairman of the Committee where members of the Committee are able to fully express their opinions. For meetings held in the form of written communication, members of the Committee should submit their written opinions regarding the matters discussed to the Board within the period required by the notice of meeting.

**Article 19** Expenses of the Committee refer to the expenses incurred in the course of duty of the Committee, which are mainly used for research, printing, meeting, training, invitation or engagement of intermediaries for their professional advice. Such expenses shall be borne by the Company and included in the budget of the Board.

**Article 20** Members attending and persons who sit in on the meeting shall keep confidential of all matters discussed at the meeting. Unauthorized disclosure of the relevant information shall be prohibited. The above persons should strictly comply with the relevant requirements of the Company.

## **CHAPTER 6 SUPPLEMENTARY PROVISIONS**

**Article 21** The Rules shall take effect and be valid from the date of passing of the resolution by the Board.

**Article 22** Any matters not mentioned herein or any conflicts with the new or amended laws, regulations or provisions of the articles of association arising upon the Rules take effect, shall be executed in accordance with the laws, regulations and provisions of the articles of association. The Rules shall be amended forthwith and proposed to the Board for consideration and approval.

**Article 23** The interpretation of the rules of procedure shall be vested in the Board.

**Board of Directors of Horizon Construction Development Limited**  
April 2023