AP RENTALS HOLDINGS LIMITED

亞積邦租賃控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1496)

Nomination Committee

Terms of Reference

(* *For identification purpose only*)

Preamble

1. AP Rentals Holdings Limited (the ''Company'') was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the ''HKEx'') on 8 April 2016.

   In compliance with the code of provision of the Corporate Governance Codes issued by the HKEx, a Nomination Committee (the ''Nomination Committee'') needs to be established with the terms of reference as set out and adopted herein.

Constitution

2. The Nomination Committee was established by resolutions of the board of directors of the Company (the ''Board'', and each director of the Board, a ''Director'') on 17 March 2016.

Membership

3. 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 independent non-executive Directors. 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.

4. The Nomination Committee shall be chaired by the chairman of the Board or an independent non-executive Director.

5. The term of office of a member of the Nomination Committee shall be determined by the Board.

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 by-laws.

7. Meetings shall be held not less than once a year. The chairman of the Nomination Committee shall convene a meeting upon request by any member of the Nomination Committee.

8. An agenda and any accompanying 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).

9. The Company is obliged to supply the Nomination Committee with adequate information in a timely manner, in order to enable it to make informed decisions. The information supplied must be complete and reliable. Where a Director requires more information than information provided voluntarily by the senior management, the relevant Director should make additional necessary enquiries. The Board and each Director shall have separate and independent access to the senior management.

10. The Secretary of the Nomination Committee shall be the company secretary of the Company or his/her appointed delegate.

11. The chairman should at least annually hold meetings with the independent non-executive Directors without the presence of other Directors.

Annual General Meeting

12. 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.

13. If the chairman of the Nomination Committee is unable to attend an annual general meeting of the Company, he shall arrange for another member of the Nomination Committee, or failing this, his duly appointed delegate, to attend in his place. Such person shall be prepared to respond to any shareholder's questions on the Nomination Committee's activities.

14. Generally Director should attend general meeting to gain and develop a balanced understanding of the views of shareholders.

Authority

15. The Nomination Committee is authorised by the Board to investigate any activity mentioned in the terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Nomination Committee.

16. The Nomination Committee is authorised by the Board to obtain independent professional advice to perform its responsibilities, at the Company's expense. 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

17. The duties of the Nomination Committee shall include:

    (a) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board annually, assisting the Board in maintaining a board skills matrix, and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

    (b) establishing policy on how to identify potential directors and ensuring the selection process is transparent and fair. Directors should be selected from a broad range of candidates who are outside the Board's circle of contacts, and in accordance with the company's diversity policy;

(c) setting out the procedures for the selection, appointment and re-appointment of Directors containing the selection criteria. It includes, but not limited to, considering the potential contributions a candidate can bring to the board in terms of qualifications, skills, experience, independence and gender diversity;

(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 and the group managing director;

(e) identifying individuals suitably qualified to become Directors and selecting or making recommendations to the Board on the selection of individuals nominated for directorship;

(f) assessing the independence of independent non-executive Directors;

(g) supporting the Company's regular evaluation of the Board's performance;

(h) ensuring persons with material interests in the company's principal business activities are prohibited from acting as independent non-executive Directors in the cooling off period of one year;

(i) ensuring a former professional advisers of company are prohibited from acting as independent non-executive Directors in the cooling off period of two years from the date of his ceasing;

(j) ensuring proposed independent non-executive Director's immediate family member would be included in the assessment of proposed independent non-executive Directors' independence;

(k) requiring the board to state in the circular to shareholders accompanying the resolution to elect the independent non-executive Directors its reasons for determining that the proposed independent non-executive Directors would be able to devote sufficient time to the board if the person will be holding their seventh (or more) listed company directorship; and

(l) requiring the board to state in the circular to shareholders accompanying the resolution to appoint an independent non-executive Directors its diversity consideration, including (1) the process used for identifying the nominee; (2) the perspective, skills and experience that the person can bring to the board, and (3) how the nominee would contribute to diversity of the board.

18. The Nomination Committee shall also make recommendations to the Board concerning:

(a) formulating plans for succession for both executive and non-executive Directors;

(b) membership of the Company's audit and remuneration committees, in consultation with the chairmen of those committees; and

(c) 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

19. Full minutes of the Nomination Committee's meetings should be kept by the secretary of the Nomination Committee and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director.

20. Minutes of meetings 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 should be sent to all members of the Nomination Committee for their comment and records respectively, within a reasonable time after such meetings.

21. Without prejudice to the generality of the duties of the Nomination Committee set out above, the Nomination Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on doing so.

Provision of Terms

22. The Nomination Committee must include the nomination policy for the accounting period covered by the annual report and significant subsequent events for the period up to the date of publication of the annual report in the Corporate Governance Report.

23. The Nomination Committee shall make available these terms of references on request and by inclusion onto the HKEx's 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

24. 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 HKEx's website and the Company's website.

25. The Nomination Committee must include the nomination policy for the accounting period covered by the annual report and significant subsequent events for the period up to the date of publication of the annual report.

Review of Terms

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