



Kinetic Development Group Limited
力量發展集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1277)
(the “Company”)

TERMS OF REFERENCE OF NOMINATION COMMITTEE

PURPOSE

1. The purpose of the nomination committee of the Company (the “**Nomination Committee**”) is to identify and recommend to the board (the “**Board**”) of directors (the “**Directors**”) appropriate candidates to serve as Directors of the Company, to evaluate the structure and composition of the Board and to develop, recommend to the Board and monitor nomination guidelines for the Company, to oversee biennial board performance reviews, maintain and disclose a board skills matrix, and monitor compliance with independence, tenure and overboarding requirements applicable to independent non-executive Directors.

MEMBERSHIP

2. The members of the Nomination Committee (the “**Members**”) shall be appointed by the Board from time to time and shall consist of not less than three Directors, the majority of whom shall be independent non-executive Directors who shall meet the independence requirements from time to time as stipulated in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and shall not concurrently hold more than six Hong Kong listed company directorships. The Nomination Committee shall include at least one director of a different gender.
3. The Board shall appoint one Member who is also an independent non-executive Director, or the chairman of the Board, as the chairman (the “**Chairman**”).

MEETINGS

4. The Nomination Committee shall meet at least once annually, or more frequently if circumstances require.
5. The Chairman (or in his or her absence, a Member designated by the Chairman) shall preside at all meetings of the Nomination Committee. The Chairman shall be responsible for leading the Nomination Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.
6. The company secretary of the Company shall be the secretary (the “**Secretary**”) of the Nomination Committee.
7. The quorum for a meeting shall be two Members, of whom one has to be an independent non-executive Director.
8. Proceedings of meetings of the Nomination Committee shall be governed by the provisions of the Articles of Association of the Company.
9. Minutes of meetings (both draft and final versions) of the Nomination Committee and the records of individual attendance at such meetings prepared by the Secretary shall be sent to all Members as soon as practicable after the conclusion of the meetings.

AUTHORITY

10. The Nomination Committee is authorised by the Board to determine the procedures, process and criteria to be adopted for purposes of selecting and recommending candidates for directorship and shall be provided with sufficient resources to perform its duties, including but not limited to obtaining independent professional advice and assistance from internal or external legal, accounting or other advisers at the expense of the Company where necessary.
11. The Nomination Committee shall have full access to management and may invite members of management or other individuals to attend its meetings. The Nomination Committee will consult the chairman and chief executive of the Company about their proposals relating to the selection and appointment of Directors.

DUTIES

12. The Nomination Committee shall perform the following duties:

- (a) to review the structure, size and composition (including skills, knowledge and experience) of the Board at least annually, to maintain and disclose a board skills matrix, and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) to develop the criteria for identifying and assessing the qualifications of and evaluating candidates for directorship;
- (c) to identify individuals who are qualified and suitable to become Directors and to select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (d) to assess the independence of independent non-executive Directors to determine their eligibility, including monitoring compliance with tenure and overboarding limits;
- (e) to develop a policy concerning diversity of Directors, including gender, age, cultural and educational background, professional experience and other relevant factors, and disclose the policy in the Corporate Governance Report (the "**CG Report**");
- (f) 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 of the Company;
- (g) to oversee the conduct of a biennial board performance review and ensure disclosure of the results in the CG Report;
- (h) to monitor Directors' compliance with mandatory training requirements and report to the Board accordingly; and
- (i) to review and facilitate shareholder engagement practices relating to board composition and governance matters.

Reporting Procedures

13. The Nomination Committee shall report to the Board on a regular basis.