



**Hung Fook Tong Group Holdings Limited**  
**鴻福堂集團控股有限公司**

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

**Stock Code: 1446**

**Nomination Committee**

**Terms of Reference**

*Effective on 31 December 2018*

*(Adopted at Board Meeting on 11 June 2014 and  
amended and adopted pursuant to the Board resolution passed on 31 December 2018)*

## **Preamble**

1. Hung Fook Tong Group Holdings Limited (the “**Company**”) was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**HKEx**”) on 4 July 2014.
2. In compliance with the code of provision of the Corporate Governance Codes under the Rules Governing the Listing of Securities on the HKEx (the “**Listing Rules**”) as amended from time to time (the “**Corporate Governance Code**”), a Nomination Committee (the “**Nomination Committee**”) needs to be established with the terms of reference as set out and adopted herein.

## **Constitution**

3. 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 11 June 2014.

## **Membership**

4. 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.
5. The Nomination Committee shall be chaired by the Chairman of the Board or an independent non-executive Director.
6. The term of office of a member of the Nomination Committee shall be determined by the Board.

## **Frequency and procedure of meetings**

7. 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 bye-laws.
8. 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.
9. 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).

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

### **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/she shall arrange for another member of the Nomination Committee, or failing this, his/her 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.

### **Authority**

14. 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 and all employees are directed to co-operate with any request made by the Nomination Committee.
15. 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**

16. The duties of the Nomination Committee shall include:
  - (a) reviewing the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
  - (b) 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;

- (c) identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships, based on merits and having due regard to the benefits of the appropriate diversity of the Board, and to implement and review the related nomination policy, including the nomination procedures, process procedures and criteria (as adopted and amended by the Board from time to time) and make recommendations to the Board on the same;
  - (d) implementing and reviewing the Board diversity policy (as adopted and amended by the Board from time to time); in addition and without prejudice to the foregoing, to monitor and review the measurable objectives referred to in the said Board diversity policy and also the progress towards achieving such measurable objectives by considering candidates on merits as well as against the said measurable objectives with due regard for the benefits of the appropriate diversity of the Board and also the candidates' potential contributions thereto; to disclose the said Board diversity policy or a summary of the such policy in the corporate governance report which will be included in each annual report of the Company; and to make recommendations to the Board on any of the aforesaid matters; and
  - (e) assessing the independence of independent non-executive Directors.
17. 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 and diversity of perspectives required.

### **Reporting procedures**

18. 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.
19. 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.

20. 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**

21. The Nomination Committee shall make available these terms of reference 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**

22. 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.

#### **Review of Terms**

23. 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.