



**Hong Kong Finance Group Limited**

**香港信貸集團有限公司**

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

**(Stock Code: 1273)**

Terms of reference of the Nomination Committee (the “**Committee**”) of the Board (the “**Board**”) of Directors (the “**Directors**”) of the Company

1. Constitution

1.1 The Committee is established pursuant to a resolution passed by the Board at its meeting held on 4 September 2013.

2. Membership

2.1 Members of the Committee shall be appointed by the Board from amongst the members of the Board and shall consist of not less than three members and a majority of which should be independent non-executive directors of the Company (the “**INED**”).

2.2 The Chairman of the Committee shall be appointed by the Board and shall be the chairman of the Board or INED.

2.3 The company secretary of the Company shall be the secretary of the Committee. In the absence of the secretary of the Committee, Committee members present at the meeting may elect among themselves or appoint another person as the secretary for that meeting.

2.4 The appointment of the members or secretary of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee. An appointment of Committee member shall be automatically revoked if such member ceases to be a member of the Board.

2.5 Where the Board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting including:

- (a) The process used for identifying the individual and why the Board believes the individual should be elected;
- (b) 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;
- (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.

3. Proceedings of the Committee

3.1 **Notice:**

- (a) Unless otherwise agreed by all the Committee members (either orally or in writing), a meeting shall be called by at least seven days' notice. Such notice shall be sent to each member of the Committee, and to any other person invited to attend. Irrespective of the length of notice being given, attendance of a Committee member at a meeting constitutes a waiver of such notice unless the 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.

*(Note: Regular meetings should be called by, so far as practicable, at least 14 days' notice: cf: paragraph A.1.3 of Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"))*

- (b) A Committee member may and, on the request of a Committee member, the secretary to the Committee shall, at any time summon a Committee meeting. Notice shall be given to each Committee member in person orally or in writing or by telephone or by email or by facsimile transmission at the telephone or facsimile or address or email address from time to time notified to the secretary by such Committee member or in such other manner as the Committee members may from time to time determine.
- (c) Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.
- (d) Notice of meeting shall state the time and place of the meeting. An agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting should generally be delivered to all Committee members seven days (and in any event not less than three days) before the intended date of the Committee meeting (or such other period as all the Committee members may agree).

3.2 **Quorum:** The quorum of the Committee meeting shall be two members of the Committee and a majority of which shall be INED.

3.3 **Frequency:** Meetings shall be held at least once a year to review, formulate and consider the nomination procedures as regards the appointment, reappointment and removal of Directors, their implementation during the year and to make recommendations to the Board on candidates for appointment as Directors.

3.4 Meetings may be held in person, or by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

4. Written resolutions
  - 4.1 A resolution in writing signed by all the Committee members shall be as valid and effectual as if it had been passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more of the Committee members.
  
5. Alternate Committee members
  - 5.1 A Committee member may not appoint any alternate.
  
6. Authority of the Committee
  - 6.1 The Committee may exercise the following powers:
    - (a) to seek any information it requires from any employee of the Company and its subsidiaries (together, the “**Group**”) and any professional advisers in order to perform its duties, to require any of them to prepare and submit reports and to attend Committee meetings and to supply information and address the questions raised by the Committee;
    - (b) to review the performance of the Directors and INED in relation to their appointment or reappointment as Directors;
    - (c) to obtain, at the Company’s expenses, outside legal or other independent professional advice on or assistance to any matters within these terms of reference, including the advice of independent human resource consultancy firm or other independent professionals, and to secure the attendance of outsiders with relevant experience and expertise at its meetings if it considers this necessary. The Committee shall have full authority to commission any search (including without limitation litigation, bankruptcy and credit searches), report, survey or open recruitment which it deems necessary to help it fulfill its duties and should be provided with sufficient resources to discharge its duties;
    - (d) to review annually these terms of reference and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary; and
    - (e) to exercise such powers as the Committee may consider necessary and expedient so that their duties under section 7 below can be properly discharged.
  - 6.2 The Company should provide the Committee sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice, at the Company’s expense, to perform its responsibilities.

7. Duties
- 7.1 The duties of the Committee shall be:
- (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
  - (b) to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships;
  - (c) to assess the independence of the independent non-executive Directors;
  - (d) 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.
8. Minutes and records
- 8.1 The secretary shall, at the beginning of each meeting, ascertain and record the existence of any conflicts of interest and minute them accordingly. The relevant member of the Committee shall not be counted towards the quorum and he must abstain from voting on any resolution of the Committee in which he or any of his associates has a material interest, unless the exceptions set out in note 1 to Appendix 3 to the Listing Rules apply.
- 8.2 Full minutes of Committee meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the company secretary). Draft and final versions of minutes of the Committee meetings should be sent to all Committee members for their comment and records within a reasonable time after the meeting (generally, meaning not more than 14 days after the meeting).
- 8.3 The secretary of the Committee shall keep record of all meetings of the Committee held during each financial year of the Company and records of individual attendance of members of the Committee, on a named basis, at meetings held during that financial year.
9. Reporting responsibilities
- 9.1 The Committee shall report to the Board after each meeting.
10. Annual general meeting
- 10.1 The chairman of the Committee shall attend the annual general meeting of the Company and be prepared to answer questions at the annual general meeting on the Committee's activities and their responsibilities.
11. Continuing application of the articles of association of the Company
- 11.1 The articles of association of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

12. Powers of the Board

12.1 The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including the Corporate Governance Code set out in Appendix 14 to the Listing Rules or if adopted by the Company, the Company's own code of corporate governance practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.

13. Publication of the terms of reference of the Committee

13.1 The Committee should make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the Company's website and the website of the Stock Exchange.

Adopted on 4 September 2013 and amended on 31 December 2018