



## WINSON HOLDINGS HONG KONG LIMITED

### 永順控股香港有限公司

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

**(Stock Code: 8421)**

(the “**Company**”, together with its subsidiaries, the “**Group**”)

---

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

---

First adoption date: 21 February 2017

Revision date: 11 February 2019

Validity: Continuous (until further notice)

#### **1. Constitution**

- 1.1 The NC is established pursuant to a resolution passed by the Board at its meeting held on 21 February 2017.

#### **2. Membership**

- 2.1 The NC shall comprise not less than three members to be appointed by the Board, the majority of whom should be independent non-executive directors (“**INEDs**”).
- 2.2 The Board shall appoint the chairman of the NC who should be one of the INEDs sitting on the NC or the chairman of the Board (if he/she is a member of the NC). In the absence of the chairman of the NC or an appointed deputy, the remaining members present shall elect one of them to chair the meeting. For the avoidance of doubt, the chairman of the Board shall not chair the meeting of the NC when it is dealing with the succession of chairmanship.
- 2.3 Only members of the NC have the right to attend the NC meetings. However, any director, executive or other person may be invited to attend the meetings when the NC considers that their attendance can assist it to discharge its duties.

2.4 A member of the NC who ceases to be a member of the Board shall immediately and automatically cease to be a member of the NC.

2.5 The Board may, from time to time, at their discretion, amend the terms of reference or adopt new terms of reference or change the composition of the members of the NC.

**3. Frequency and proceedings of meetings**

3.1 The NC shall meet as and when necessary or as requested by any NC member. The NC shall meet at least once a year.

3.2 The quorum for meetings of the NC shall be two members. A duly convened meeting of the NC at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in the NC.

3.3 NC members may pass resolutions by way of written resolutions, but such must be passed by all NC members in writing.

3.4 The meetings and proceedings of the NC are governed by the provisions of the Articles of Association of the Company for regulating the meetings and proceedings of the Board so far as the same are applicable.

**4. Secretary**

4.1 Save as otherwise appointed by the NC, the company secretary of the Company or his/her nominee shall act as the secretary of the NC.

**5. Notice of Meetings**

5.1 Meetings of the NC shall be convened by the chairman of the NC.

5.2 Unless otherwise agreed, notice of each meeting setting out the venue, time and date together with the agenda of items to be discussed, shall be forwarded to each of the members of the NC and any other person required to attend at least three working days before the intended meeting date.

5.3 Any NC member may or, on the request of a NC member, the secretary to the NC shall, at any time summon a NC meeting. Notice shall be given to each NC 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 NC member or in such other manner as the NC members may from time to time determine.

5.4 Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.

**6. Minutes of the Meetings**

- 6.1 Minutes of the NC meetings shall record in sufficient detail the matters considered in the meetings and decisions reached, including any concerns raised and dissenting views expressed. Draft and final versions of minutes of the meetings should be sent to all NC members for their comments and records within a reasonable time after the meeting and unless there is a conflict of interest, to all other members of the Board.
- 6.2 The secretary of the NC shall keep the minutes and resolutions passed at the NC meetings and such minutes and resolutions shall be open for inspection at any reasonable time on prior reasonable notice by any director save when there is a conflict of interest.

**7. Annual General Meeting**

- 7.1 The chairman of the NC shall attend (or in his/her absence, appoint another member of the NC or failing this his/her duly appointed delegate, to attend) the Annual General Meeting of the Company and be prepared to respond to shareholders' questions on the activities and responsibilities of the NC.

**8. Duties**

- 8.1 The NC shall:
- 8.1.1 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;
  - 8.1.2 identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
  - 8.1.3 receive nominations from shareholders or directors of the Company when such are tendered and to make recommendations to the Board on the candidacy of the nominees, having regard to the Board's compositional requirements and suitability of the nominees;
  - 8.1.4 assess the independence of independent non-executive directors and review the independent non-executive directors' confirmations on their independence; and make disclosure of its review results in the corporate governance report. 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 why they believe

he/she should be elected and the reasons why they consider him/her to be independent;

- 8.1.5 make 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 chief executive of the Group;
- 8.1.6 regularly review the contribution required from a director to perform his/her responsibilities to the Group, and whether he/she is spending sufficient time performing them;
- 8.1.7 review the structure, size and composition of the Board by taking into consideration of a number of factors, including but not limited to gender, age, cultural and educational background, or professional experience to achieve Board diversity; and make the relevant disclosure in the corporate governance report annually;
- 8.1.8 consider other topics and review other documents as may be reasonably requested by the Board from time to time;
- 8.1.9 conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or applicable law; and
- 8.1.10 make available its terms of reference explaining its role and the authority delegated to it by the Board by including on them on the respective websites of the Stock Exchange and the Company.

## **9. Nomination Policy and Procedure**

- 9.1 To ensure changes to the Board composition can be managed without undue disruption, there should be a formal, considered and transparent procedure for selection, appointment and re-appointment of directors, as well as plans in place for orderly succession (if considered necessary), including periodical review of such plans. The appointment of a new director (to be an additional director or fill a casual vacancy as and when it arises) or any re-appointment of directors is a matter for decision by the Board upon the recommendation of the proposed candidate by the NC.

The criteria to be applied in considering whether a candidate is qualified shall be his or her ability to devote sufficient time and attention to the affairs of the Company and contribute to the diversity of the Board as well as the effective carrying out by the Board of the responsibilities which, in particular, are set out as follows:-

- 9.1.1 participating in Board meetings to bring an independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
- 9.1.2 taking the lead where potential conflicts of interests arise;
- 9.1.3 serving on the audit committee, the remuneration committee and the NC (in the case of candidate for non-executive director) and other relevant Board committees, if invited;
- 9.1.4 bringing a range of business and financial experience to the Board, giving the Board and any committee on which he or she serves the benefit of his or her skills, expertise, and varied backgrounds and qualifications and diversity through attendance and participation in the Board/committee meetings;
- 9.1.5 scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;
- 9.1.6 ensuring the committees on which he or she serves to perform their powers and functions conferred on them by the Board; and
- 9.1.7 conforming to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitutional documents of the Company or imposed by legislation or the GEM Listing Rules, where appropriate.

If the candidate is proposed to be appointed as an independent non-executive director, his or her independence shall be assessed in accordance with, among other things, the factors as set out in Rule 5.09 of the GEM Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time. Where applicable, the totality of the candidate's education, qualifications and experience shall also be evaluated to consider whether he or she has the appropriate professional qualifications or accounting or related financial management expertise for filling the office of an independent non-executive director with such qualifications or expertise as required under Rule 5.05(2) of the GEM Listing Rules.

## **10. Reporting Responsibilities**

- 10.1 The NC shall report formally to the Board on its decisions or recommendations after each meeting on all matters within its duties and responsibilities, unless there are legal or other regulatory restrictions on the NC's ability to do so.
- 10.2 The NC shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

**11 Authority**

- 11.1 The NC is authorized to investigate any activity within its terms of reference and to seek any information it reasonably requires from any employee of the Company in order to perform its duties.
- 11.2 Where necessary, the NC should seek independent professional advice, at the Company's expense, to perform its responsibilities.
- 11.3 The Company should provide the NC with sufficient resources to perform its duties.

*Note:* If there is any inconsistency between the English and Chinese versions of this Terms of Reference, the English version shall prevail.