

Pokfulam Development Company Limited
博富臨置業有限公司
(the “Company”)
(Incorporated in Hong Kong with limited liability)

TERMS OF REFERENCE FOR THE NOMINATION COMMITTEE
(Revised on 30 May 2019)

1. MEMBERSHIP

- 1.1 Members of the Nomination Committee shall be appointed by the board of directors (the “Board”) of the Company.
- 1.2 The majority of the members of the Nomination Committee shall be independent non-executive directors (“INEDs”).

2 CHAIRMAN

- 2.1 The chairman of the Nomination Committee shall be appointed by the Board and shall either be the chairman of the Board or an INED.

3 SECRETARY

- 3.1 The company secretary shall be the secretary of the Nomination Committee. In the absence of the company secretary, his/her delegate(s) or any person elected by the members present at the meeting of the Nomination Committee, shall attend the meeting of the Nomination Committee and take minutes.

4 PROCEEDINGS OF THE NOMINATION COMMITTEE

Unless otherwise specified hereunder, the provisions contained in the Company’s Articles of Association (as amended from time to time) for regulating meetings and proceedings of directors shall apply to the meetings and proceedings of the Nomination Committee.

4.1 Quorum

- 4.1.1 The quorum for meetings of the Nomination Committee shall be any two members.

4.2 Frequency of meetings

- 4.2.1 The Nomination Committee shall hold at least one regular meeting in a year. Additional meetings of the Nomination Committee may be held as and when required.

4.3 Attendance at meetings

- 4.3.1 Members of the Nomination Committee may attend meetings of the Nomination Committee either in person or through other electronic means of communication or in such other manner as the members may agree.

4.4 Notice of meetings

- 4.4.1 A meeting of the Nomination Committee may be convened by any of its members or by the company secretary.
- 4.4.2 Unless otherwise agreed by all the members of the Nomination Committee, notice of at least 3 days shall be given for a regular meeting of the Nomination Committee. For all other meetings of the Nomination Committee, reasonable notice shall be given.
- 4.4.3 Agenda and accompanying supporting papers shall be sent to all members of the Nomination Committee and to other attendees as appropriate at least 3 days before the date of the meeting (or such other period as the members may agree).

4.5 Minutes of meetings

- 4.5.1 Draft and final versions of minutes of Nomination Committee meetings shall be sent to all Nomination Committee members for their comment and records within a reasonable time after the meeting.
- 4.5.2 Minutes of the Nomination Committee shall be kept by the company secretary and shall be available for inspection by any member of the Nomination Committee or the Board at any reasonable time on reasonable notice.

4.6 Written resolutions

- 4.6.1 Without prejudice to any requirement under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), written resolution may be passed and adopted by all members of the Nomination Committee.

5 RESPONSIBILITIES AND AUTHORITIES OF THE NOMINATION COMMITTEE

- 5.1 The responsibilities and authorities of the Nomination Committee shall include such responsibilities and authorities set out in the relevant code provisions of the Corporate Governance Code (the “CG Code”) as contained in Appendix 14 of the Listing Rules (as amended from time to time).
- 5.2 Without prejudice to any requirement under the CG Code, the duties of the Nomination Committee include the following:
 - (a) To review the structure, size and composition (including the talents, skills, regional and industry experience, background, gender and other qualities of the members of the Board) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy and the requirement of Board diversity.
 - (b) To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships.
 - (c) To assess the independence of INEDs.
 - (d) To 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 managing director.

- (e) To review the policy on Board diversity, as appropriate, and make recommendations to the Board on any proposed change to the policy and to exercise such other powers and authorities, and to perform such other duties, as set out in the policy or delegated by the Board from time to time.

5.3 The Nomination Committee shall be provided with sufficient resources to perform its duties and shall have access to independent professional advice if necessary.

5.4 All members of the Nomination Committee shall have access to the advice and services of the company secretary, and separate and independent access to the Company's senior management for obtaining necessary information.

6 REPORTING RESPONSIBILITIES

6.1 The Nomination Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

7 ANNUAL GENERAL MEETING

7.1 The chairman of the Nomination Committee or in his absence, another member of the Nomination Committee or failing this, his duly appointed delegate, shall attend the Annual General Meeting of the Company and be prepared to respond to questions at the Annual General Meeting on the Nomination Committee's work and responsibilities.

8 NOMINATION POLICY

8.1 Objective

The Policy provides the key selection criteria and principles of the Nomination Committee in making any recommendations to the Board on the appointment of directors, and succession planning for directors.

8.2 Selection Criteria

When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the Nomination Committee shall consider a variety of factors including without limitation the following in assessing the suitability of the proposed candidate:

- (a) character and integrity;
- (b) qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the board diversity policy that are relevant to the Company's business and corporate strategy;
- (c) Diversity in all aspects, including but not limited to gender, age, cultural / educational and professional background, skills, knowledge, experience and length of service;
- (d) willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company;

- (e) Compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment of an INEDs; and
- (f) Any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

8.3 Nomination Procedures

8.3.1 Appointment of new directors and nomination from shareholders

- (a) If the Board determines that an additional director is required, it will deploy multiple channels for identifying suitable director candidates, including referral from Directors, shareholders, management, advisors of the Company and external executive search firms.
- (b) Upon compilation and interview of the list of potential candidates, the Nomination Committee and/or the Board, based on the selection criteria set out above that it considers appropriate, should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable. The Board has the final authority on determining suitable director candidate for appointment.
- (c) For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the selection criteria as set out above to determine whether such candidate is qualified for directorship.

8.3.2 Re-election of directors

Where a retiring director, being eligible, offers himself for re-election, the Nomination Committee and/or the Board shall consider and, if consider appropriate, recommend such retiring director to stand for re-election at a general meeting. A circular containing the requisite information on such retiring director will be sent to shareholders prior to a general meeting in accordance with the Listing Rules.

8.4 Review and Monitoring

The Nomination Committee will review annually this Policy, and monitor its implementation to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practice.

9 BOARD DIVERSITY POLICY

9.1 Objective

The Policy aims to set out the approach to achieve diversity on the Board of the Company.

9.2 Policy Statement

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, racial, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

9.3. Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, racial, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition (including gender, racial, age, length of service) will be disclosed in the Corporate Governance Report annually.

9.4. Monitoring and Reporting

The Nomination Committee will report annually, in the Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation to ensure the effectiveness of this Policy.

10 APPROVAL AND REVIEW

The Nomination Committee and/or the Board will, at least once a year, review its Terms of Reference to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practice.

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