



AVIC Joy Holdings (HK) Limited

幸福控股(香港)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 260)

(the “Company”)

NOMINATION COMMITTEE

TERMS OF REFERENCE

1. Membership

- 1.1 Members of the nomination committee (the “**Committee**”) shall be appointed by the board of directors of the Company (the “**Board**”), where appropriate, in consultation with the chairman of the Committee (the “**Committee Chairman**”). The Committee shall be made up of at least three members.
- 1.2 Majority of members of the Committee shall be independent non-executive directors.
- 1.3 Only Members of the Committee have the right to attend Committee meetings. Other individuals, may be invited to attend all or part of any meeting as and when appropriate.
- 1.4 The Board shall appoint the Committee Chairman who must be the chairman of the Board or an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members of the Committee present shall elect one of their members to chair the meeting.

2. Secretary

- 2.1 The company secretary of the Company or his/her nominee shall act as the secretary of the Committee.
- 2.2 The Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Committee.

3. Quorum, Attendance at Meetings and Resolutions

- 3.1 The quorum necessary for the transaction of business shall be two members of the Committee. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 3.2 Members of the Committee may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.
- 3.3 Resolutions of the Committee at any meetings shall be passed by a majority of votes of the members of the Committee present.
- 3.4 A resolution in writing signed by all members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

4. Frequency of Meetings

The Committee shall meet at least once a year or otherwise as required. Meetings of the Committee shall be convened by the secretary of the Committee at the request of any member of the Committee.

5. Minutes of Meetings

The Committee Chairman shall arrange for keeping of records of resolutions passed at Committee meetings, and circulate the same to all members of the Committee within a reasonable time after each meeting and, once agreed, to all members of the Board.

6. Annual General Meeting

The Committee Chairman should, as far as practicable, attend the annual general meeting of the Company and make himself available to respond to any shareholder questions on the Committee's activities.

7. Responsibility, Powers and Discretion

The Committee shall have the following responsibilities, powers and discretion:

- 7.1 to review the structure, size, composition and diversity (including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service) of the Board at least annually or when necessary and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

- 7.2 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, having due regard to the Board Diversity Policy and the Nomination Policy of the Company;
- 7.3 to assess the independence of independent non-executive directors;
- 7.4 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;
- 7.5 to review the Board Diversity Policy, as appropriate and make recommendations on any required changes to the Board for consideration and approval, and monitor its implementation so as to ensure its effectiveness, and make disclosure of its summary and the progress of its implementation in the corporate governance report;
- 7.6 to review the Nomination Policy for directors of the Company and to make disclosure of the summary of the Nomination Policy in annual report of the Company annually; and
- 7.7 where the Board proposes a resolution to elect an individual as an independent non-executive director of the Company 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:
 - a) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;
 - b) if the proposed independent non-executive director 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 diversity of the Board.

8. Reporting Responsibilities

- 8.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 8.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

9. Authority

- 9.1 The Committee is authorised by the Board to seek any information it requires from senior management of the Company in order to perform its duties.
- 9.2 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.

Revised on 31 December 2018

In the event of any inconsistency between the Chinese version and the English version of these terms of reference, the English version shall prevail.