



(於百慕達成立之有限公司)  
(Incorporated in Bermuda with Limited Liability)  
Stock Code 股份代號 : 0590

## TERMS OF REFERENCE - NOMINATION COMMITTEE

*References to “the Committee” shall mean the Nomination Committee.*

*References to “the Board” shall mean the Board of Directors.*

*References to “the Company” shall mean Luk Fook Holdings (International) Limited*

### 1. Constitution

- 1.1 Pursuant to a board meeting of Luk Fook Holdings (International) Limited (“the Company”) held on 28th November 2011, the Board of Directors resolved to establish a committee of the Board to be known as the Nomination Committee.

### 2. Membership

- 2.1 Members of the Committee shall be appointed by the Board. The Committee shall be made up of five (5) members comprising three (3) independent non-executive directors and two (2) executive directors;
- 2.2 The Committee shall be chaired by the chairman of the Board or an independent non-executive directors (“INED”) and comprises a majority of INED;
- 2.3 In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their numbers to chair the meeting. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship;
- 2.4 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the head of human resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate;
- 2.5 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods provided that the majority of the Committee members remain independent; and

### 3. Secretary

- 3.1 The Company Secretary or their nominee shall act as the Secretary of the Committee.

#### **4. Quorum**

4.1 The quorum necessary for the transaction of business shall be three (3) comprising two (2) independent non-executive directors and one (1) executive director. 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.

#### **5. Frequency of Meetings**

5.1 The Committee shall meet at least once a year and at such other times as the Chairman of the Committee shall require.

#### **6. Notice of Meetings**

6.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee; and

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than three (3) working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

#### **7. Minutes of Meetings**

7.1 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval;

7.2 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance;

7.3 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chairman of the Board and, once agreed, to all other members of the Board, unless a conflict of interest exists;

7.4 Meeting can be attended in person or via electronic means including telephonic or video conferencing. The members of the Committee can attend the meeting via telephonic or any similar communication device (all persons attending such meeting should be able to hear from such member via such communication device); and

7.5 Full minutes of the Committee should be kept by the secretary of the Committee.

#### **8. Annual General Meeting**

8.1 The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

## 9. Authority and Duties

The Committee should perform the following authority and duties:-

- 9.1 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;
- 9.2 give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and what skills and expertise are therefore needed on the Board in the future;
- 9.3 to identify individuals suitably qualified to become board members and select or make recommendations to the board on the selection of individuals nominated for directorship;
- 9.4 to assess the independence of INED;
- 9.5 before any appointment is made by the Board, evaluate the balance of skills, knowledge and experience on the board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
  - 9.5.1 use open advertising or the services of external advisers to facilitate the search;
  - 9.5.2 consider candidates from a wide range of backgrounds; and
  - 9.5.3 consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
- 9.6 keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- 9.7 keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates;
- 9.8 review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;
- 9.9 ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings;
- 9.10 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;

- 9.11 where the Board proposes a resolution to elect an individual as an INED 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 should be elected and the reasons why they consider him to be independent; and
- 9.12 the Committee is authorised to seek any information it requires from any employee of the company in order to perform its duties.

The Committee shall also make recommendations to the Board concerning:

- 9.13 formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive (but see 9.19 below);
- 9.14 suitable candidates for the role of senior independent director;
- 9.15 membership of the Audit and Remuneration Committees, in consultation with the chairmen of those committees;
- 9.16 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 required;
- 9.17 the re-election by shareholders of any director under the 'retirement by rotation' provisions in the company's Bye-laws having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- 9.18 any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the company subject to the provisions of the law and their service contract; and
- 9.19 the appointment of any director to executive or other office other than to the positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of the full board.

## **10. Reporting Responsibilities**

- 10.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities;
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed; and
- 10.3 The Committee shall make a statement in the annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.

## **11. Publication of the Terms of Reference**

- 11.1 These terms of reference are posted on the respective websites of the Company and The Hong Kong Exchanges and Clearing Limited. A copy of the terms of reference will be made available to any person without charge upon request.