



## SHUN TAK HOLDINGS LIMITED

信德集團有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 242)**

### NOMINATION COMMITTEE – TERMS OF REFERENCE

The Board of Directors (the “**Board**”) of Shun Tak Holdings Limited (the “**Company**”) hereby constitutes and establishes a nomination committee (the “**Nomination Committee**”) with authority, responsibility and duties as described below:-

#### **Membership**

The Nomination Committee shall be appointed by the Board of the Company from time to time. The Nomination Committee shall comprise a minimum of five members and consist of a majority of independent non-executive directors and the Managing Director and the Deputy Managing Director of the Company. The chairman of the Nomination Committee shall be an independent non-executive director or the chairman of the Board, subject for the Board’s approval. The Company Secretary (or his/her nominee) shall act as the Secretary of the Nomination Committee.

#### **Authority**

The Nomination Committee is authorized by the Board to enact and/or investigate any activity within these terms of reference and shall be provided with sufficient resources to perform its duties. It is authorized to seek any information it requires from any employee in order to perform its duties and all employees are directed to co-operate with any request made by the Nomination Committee. The Nomination Committee is authorized by the Board to obtain independent professional advice, at the Company’s expenses (where necessary) to perform its responsibilities.

#### **Meetings**

The Nomination Committee should meet as the work of the Nomination Committee demands. The quorum of a meeting shall be three members of the Committee, at least two of them shall be independent non-executive directors. Meetings may be held by telephone conference.

A resolution in writing signed by all the members of the Nomination Committee for the time being shall be as valid and effectual as a resolutions passed at a meeting of the Nomination Committee duly called and constituted.

### **Attendances**

As necessary or desirable, the Chairman of the Nomination Committee may request that members of management and the heads of human resources division be present at meetings of the Nomination Committee.

### **Minutes**

Minutes of each Nomination Committee meeting are to be prepared and sent to the Nomination Committee members within a reasonable time after the meeting.

The Company Secretary shall circulate the minutes of the meetings of the Nomination Committee to all members of the Board, unless a conflict of interest exists.

### **General**

The Nomination Committee should make available these terms of reference, explaining its role and the authority delegated to it by the Board by including them on the websites of The Stock Exchange of Hong Kong Limited and the Company.

### **Duties**

- (1) To review the structure, size and composition (including 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.
- (2) To identify individual suitably qualified to become Board members or to fill Board vacancies as and when they arise.
- (3) To select or make recommendations to the Board on the selection of individuals nominated for directorships.
- (4) To assess the independence of independent non-executive directors.
- (5) 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 Managing Director of the Company.
- (6) To monitor the implementation of the Board Diversity Policy adopted by the Board; and to review the Policy and recommend any revisions to the Board for consideration and approval, when necessary.
- (7) To report back to the Board on recommendations made, unless there are legal or regulatory restrictions to do so.

### **Procedures on appointment of directors**

The appointments of directors are first considered by the Nomination Committee. Recommendations are then put to the Board for consideration and decisions. All directors are subject to election by shareholders at the annual general meeting.

Adopted by the Board on 12 December 2007 and amended on 26 March 2012 and 21 August 2013