

**WEIYE HOLDINGS LIMITED**

**NOMINATING COMMITTEE**

**TERMS OF REFERENCE**

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) require every listed company to establish a nominating committee which will report to the board of directors of the listed company.

This Terms of Reference of the Nominating Committee of Weiye Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) sets out its authority and duties as well as the procedure regulating the conduct of its meetings.

## **1. COMPOSITION**

- 1.1 The members of the Nominating Committee (“**NC**”) shall be appointed by the board (the “**Board**”) of directors (the “**Directors**”) of the Company.
- 1.2 The majority of the members of the NC shall consist of independent non-executive Directors.
- 1.3 The chairman of the NC shall be appointed by the Board and shall either be the chairman of the Board or an independent non-executive Director.
- 1.4 A member who wishes to retire or resign from the NC shall notify the Board in writing giving one (1) months’ notice or such shorter notice as may be agreed by the Board.
- 1.5 A member shall automatically cease to be a member of the NC if he is removed by the Board or if he resigns/retires/not re-elected as a Board member.

## **2. PROCEDURES GOVERNING MEETINGS**

- 2.1 The NC being a committee of the Board shall conform to any regulations which may be from time to time imposed by the Board.

2.2 **QUORUM** The quorum of the NC meeting shall be 2 members.

### **2.3 REQUISITION OF MEETINGS**

- 2.3.1 The NC may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. At anytime, any member may summon a meeting of the members by issuing at least 7 days’ notice in writing (exclusive both of the day on which notice is served or deemed to be served and the day for which the notice is given) to each and every member. The expression “in writing” include those in the form sent out by mail, telefax, telex, cable, electronic mail or telegram by any such member.
- 2.3.2 The members may however, by unanimous consent, waive the aforesaid and allow for a shorter period of notice. A meeting shall be held at least once a year.

## 2.4 CONDUCT OF MEETING

- 2.4.1 The Chairman of the NC shall preside at each meeting. If the Chairman of the NC is not present within five (5) minutes after the time appointed for holding the meeting, the members present may choose one of their number to be Chairman of the meeting so long as the appointed Chairman is an independent non-executive Director.
- 2.4.2 Questions arising from any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairman shall have a second or casting vote.

2.5 **PARTICIPATION VIA COMMUNICATION EQUIPMENT** The members may participate in a meeting via telephone conference or such other similar communication equipment by means of which all persons participating in the meeting can hear each other, without a member being in the physical presence of another member or members, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

2.6 **RESOLUTIONS IN WRITING** A resolution in writing signed by all the members and constituting a quorum shall be as effective as a resolution duly passed at a NC meeting and may consist of several documents in the like form, each signed by one or more members. The expression “in writing” and “signed” include approval by telefax, telex, cable, electronic mail or telegram by any such member.

2.7 **DEBARRED FROM VOTING** A member shall not vote in respect of any matters or proposal whatsoever in which he has any interest, directly or indirectly. A member shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

## 3. **AUTHORITY**

3.1 The NC is authorised by the Board to seek any necessary information which is within the NC’s scope of duties from the employees of the Group.

3.2 The NC is authorised by the Board to obtain outside legal or other independent professional advice, at the expense of the Company, to fulfill its responsibilities and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary or desirable. Note: All such arrangements of obtaining outside legal or other independent professional advice may be made by the company secretary.

3.3 The NC shall have access to sufficient resources in order to perform its duties.

#### **4. DUTIES AND FUNCTIONS The NC is responsible for :**

- 4.1.1 reviewing the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and making recommendations on any proposed changes to the Board to complement our Group's corporate strategy;
- 4.1.2 reviewing and recommending nomination for re-appointment or re-election or renewal of appointment of the Directors;
- 4.1.3 making succession planning for Directors, in particular the chairman and the chief executive;
- 4.1.4 identifying individuals suitably qualified to become members of the Board and Board committees, and reviewing and making recommendations to the Board on the selection of individuals nominated for directorships;
- 4.1.5 assessing the independence of the independent non-executive Directors annually; Every Director shall, upon appointment, and subsequently on an annual basis, submit to the Company Secretary, a return in the form on his/her independence as prescribed by the Board from time to time. The NC shall review the returns and recommend to the Board as to whether the Director is to be considered independent. An independent member shall notify the Board immediately, if, as a result of a change in circumstances, he no longer meets the criteria for independence. The NC shall review the change in circumstances and make its recommendation to the Board.
- 4.1.6 recommending Directors who are retiring by rotation to be put forward for re-election;
- 4.1.7 reviewing whether a Director is adequately carrying out his/her duties as the Director including time and effort contributed to the Company, attendance at meetings of the Board and Board Committees, participation at meetings and contributions of constructive, analytical, independent and well-considered views;
- 4.1.8 reviewing the Board Diversity Policy and directors' nomination policy, as appropriate; and review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and make disclosure of its review results in the Corporate Governance Report annually;
- 4.1.9 doing any such things to enable the Committee to discharge its powers and functions conferred on it by the Board;

- 4.1.10 conforming to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Company's constitution or imposed by legislation;
- 4.1.11 reviewing training and professional development programs for the Board; and
- 4.1.12 evaluating the performance and effectiveness of the board as a whole. To decide on how the Board's performance may be evaluated and propose objective performance criteria. Such performance criteria, that allow comparison with its industry peers, should be approved by the Board and address how the Board has enhanced long term shareholders' value. In addition to the relevant performance criteria which the Board may propose, other performance criteria that may be used include the Company's share price performance over a five-year period vis-à-vis the Hang Seng Index and a benchmark index of its industry peers, return on assets, return on equity, return on investment, economic value added and profitability on capital employed.

## **5. REPORTING**

- 5.1 The company secretary of the Company shall be the secretary of the NC. In the absence of the company secretary, his/her delegate(s) or any person elected by the members present at the meeting of the NC shall attend the meeting of the NC and take minutes.
- 5.2 Full minutes of the meetings of the NC shall be kept by the secretary of the NC.
- 5.3 Each meeting of the NC shall be properly minuted and upon confirmation of such minutes by the Chairman, a copy of the confirmed minutes shall then be duly circulated to all members.
- 5.4 The NC should report to the Board on a regular basis on its decisions or recommendations.

## **6. ANNUAL GENERAL MEETINGS**

The chairman of the NC or in his/her absence, another member of the NC or failing this, his/her 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 NC's work and responsibilities.

## **7. DISCLOSURE IN ANNUAL REPORT IN COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE**

The following are to be disclosed in the Annual Report:–

- 7.1 The names of the NC members.
- 7.2 The list of Directors who are executive, non-executive or considered by the NC as independent as well as the names of the Directors submitted for election or re-election to be accompanied by such details and information to enable shareholders to make informed decisions.
- 7.3 Key information regarding Directors, such as academic and professional qualifications, shareholdings in the Company and its subsidiaries, board committees served on (as a member or chairman), date of first appointment as a Director, date of last re-election as a Director, directorships or chairmanships both present and those held over the preceding three years in other listed companies and other major appointments.
- 7.4 Process to be carried out in assessing the effectiveness of the Board as a whole as well as whether each individual Director has appropriately carried out his/her duties as the Director.
- 7.5 A record of attendance of each individual Director at meetings of the Board and Board Committees of which he is a member.

## **8. PROCEDURES RELATING TO CHANGES OR AMENDMENTS IN THE NOMINATING COMMITTEE'S TERMS OF REFERENCE**

- 8.1 The NC shall initiate amendments to its Terms of Reference when the need arises due to changes in legislation governing corporate governance. Any director may give instructions for such amendments to the NC's Terms of Reference, as he deems fit, by reason of changes in the Company's structure, organisation and/or operations which affect the matters set out in the Terms of Reference.
- 8.2 Amendments to the NC's Terms of Reference shall be submitted to the NC for consideration and approved by the Board.