



罕王
HANKING

CHINA HANKING HOLDINGS LIMITED

中國罕王控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 03788)

(the “Company”)

Terms of Reference and Operating Model of the Nomination Committee (the “Committee”)¹

MEMBERSHIP

1. The Committee shall comprise three or more directors, the majority of whom shall be independent non-executive directors.
2. The Committee shall have one chairman who shall be acted by the chairman of the board of directors of the Company (the “Board of Directors”) or an independent non-executive director, responsible for presiding over the work of the Committee and convening and presiding over meetings of the Committee. The members of the Committee shall be nominated by the chairman of the Board of Directors and shall be subject to election by the Board of Directors. Upon approval of the resolution of election of members, the newly-appointed members shall assume office immediately after the conclusion of the Board of Directors’ meeting.
3. The company secretary or his/her nominee shall act as the secretary to the Committee.
4. Members of the Committee shall have the same term of office as their directorship and the term of office is renewable upon re-election. Prior to expiry of the term of office, members shall not be unreasonably relieved of their duties, except for circumstances where they shall not assume office according to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the articles of association of the Company or these rules of procedures. During the term of office if members no longer act as directors or independent non-executive directors of the Company, they shall automatically lose their office as members of the Committee.

¹ These terms of reference and the operating model are written in Chinese and the English version is intended only for reference. In case of any inconsistency between the Chinese and English version, the Chinese version shall prevail.

5. Where the number of members of the Committee is less than two-thirds of the required number of members of the Committee due to the resignation or removal of members or other reasons, the Board of Directors shall arrange for replacements to fill the vacancies in a timely manner. The Committee shall suspend any exercise of duties and powers stipulated by these rules of procedures before the number of members of the Committee reaches two-thirds of the required number of members of the Committee.

FREQUENCY AND PROCEEDINGS OF MEETINGS

6. The Committee shall convene meetings at least once a year. If necessary, the Committee shall convene additional meetings.
7. The chairman of the Committee may also decide to convene additional meetings at his/her own discretion.
8. Meetings of the Committee shall include regular meetings and interim meetings. Regular meetings shall be convened once a year within six months upon conclusion of the previous accounting year. Interim meetings shall be convened upon proposal by the Board of Directors, the chairman of the Committee or more than two members of the Committee.
9. Regular and interim meetings of the Committee may be convened in the on-site form or by communication means.
10. Notice of regular meetings of the Committee shall be despatched five days prior to the meeting whereas notice of interim meetings shall be despatched three days before the meeting.
11. Notice of meetings of the Committee shall at least include the following items:
 - (a) time and venue of the meeting;
 - (b) duration of the meeting;
 - (c) agenda items to be discussed in the meeting;
 - (d) contact person of the meeting and the way of contact; and
 - (e) date of notice of the meeting.

Notice of meetings shall contain complete proposals.

12. Notice of meetings of the Committee shall be delivered to all members by facsimile, electronic mail, telephone, direct mail, hand or other means. When the notice is delivered by electronic mail, telephone or other speedy methods, the recipient shall be deemed to have notified of the meeting if no written objection is received from the recipient in two days from the date of delivery of the notice.
13. Meetings of the Committee shall be held by more than two-thirds of the members attending the meeting.
14. Each member has one voting right. Resolutions adopted at the meetings shall take effect upon approval by more than one-half of all members (including those members who have not attended the meeting in person).
15. Members of the Committee may attend the meetings in person or appoint another member to attend and vote on their behalf. Each member shall appoint only one other member as his/her proxy to vote on his/her behalf at each meeting. Where any member appoints two or more members to vote on his behalf, such appointment shall be deemed invalid.
16. Members who appoint another member to attend and vote on their behalf shall submit a power of attorney to the chairman of the meeting. The power of attorney shall be submitted to the chairman of the meeting no later than the voting of the meeting.
17. The power of attorney shall at least include the following items:
 - (a) name of appointer;
 - (b) name of proxy;
 - (c) matters to be assigned;
 - (d) instruction on the exercise of voting right over the meeting agenda (for, against or abstained) and, where no specific instruction is made, explanation on the capacity of proxy to vote on his/her will;
 - (e) expiry date of the power of attorney; and
 - (f) date of signing of the power of attorney.

The power of attorney shall be signed by both of the appointer and proxy.

18. The Committee shall vote on a registered show of hands at the meetings. At interim meetings, the Committee may vote by facsimile or telephone and resolutions shall be adopted by facsimile at which members attending the meeting shall sign provided that members may fully express their opinions. If voting by communication means is adopted, members of the Committee who have signed on the meeting resolutions shall be deemed to have attended the relevant meeting and have agreed to the contents of the resolutions.
19. Directors of the Company who are not members of the Committee may be invited to sit in on the meetings of the Committee. The Committee may also gather other persons relating to the meeting agenda to sit in on the meetings, give a briefing or express their opinions if it considers necessary. However, those who are not members of the Committee have no voting right over the proposals.
20. The Committee may engage intermediaries to provide professional advice for its decision-making if necessary and the relevant expenses incurred shall be borne by the Company.
21. The procedures for convening the meeting, means of voting and resolutions passed at the meeting of the Committee shall comply with relevant laws, regulations, the articles of association and the provisions of these rules of procedures.
22. The Committee may appoint the company secretary to handle the following routine affairs:
 - (a) maintain minutes of meeting, sort out opinions of all members attending the meeting and deliver minutes to them for signing; and
 - (b) distribute minutes of meeting to members of the Committee within 14 days upon conclusion of the meeting.

The minutes shall be maintained by the company secretary.

23. Resolutions and voting results adopted at the meetings of the Committee shall be reported to the Board of Directors in writing.
24. Members attending the meeting shall keep confidential of all matters discussed at the meeting. Unauthorized disclosure of the relevant information shall be prohibited.
25. Where an agenda relating to a member is to be discussed at the meeting of the Committee, such related member shall abstain from the meeting.

26. The meeting concerned shall be held by more than one-half of the unrelated members attending the meeting and resolutions adopted shall be passed by more than one-half of the unrelated members. Where the number of unrelated members attending the meeting falls below one-half of the total number of unrelated members of the Committee, such item shall be submitted to the Board of Directors' meeting for consideration.

DUTIES, POWERS AND FUNCTIONS

27. The Committee shall:
- (a) formulate policies on nomination for the consideration of the Board of Directors and implement nomination policies approved by the Board of Directors; and
 - (b) in general circumstances where the above is not being affected:
 - (i) review the structure, number of members and composition of the Board of Directors (including the skills, knowledge, experience and term of office) at least once a year and make recommendations on any proposed changes to the Board of Directors to cooperate with the Company's corporate strategy;
 - (ii) identify candidates suitably qualified to become directors and nominate them to the Board of Directors for recommendation to the shareholders by the Board of Directors and provide to the Board of Directors and shareholders with detailed curriculum vitae of nominated candidates so that they can make well-informed decisions, having due regard to the Company's Board Diversity Policy, the requirements in the Company's articles of association, the Listing Rules and applicable laws and regulations, and the relevant candidates' contributions to the Board of Directors in terms of qualifications, skills, experiences, independence and gender diversity;
 - (iii) identify and nominate candidates to fill casual vacancies of directors for the approval of the Board of Directors;
 - (iv) assess the independence of independent non-executive directors with reference to the factors set out in rule 3.13 of the Listing Rules and any other factors deemed appropriate by the Committee or the Board of Directors, review the annual confirmation submitted by independent non-executive directors in respect of their independence and make disclosure of the findings in the "Corporate Governance Report". If a proposed independent non-executive director will be holding their seventh (or more) listed company directorship,

to assess his/her ability to devote sufficient time to the Board of Directors matters;

- (v) review the time required by directors in performing their responsibilities on a regular basis;
- (vi) make recommendations to the Board of Directors on the matters in relation to the appointment or re-appointment of directors and the succession planning of the directors, especially the chairman of the Board of Directors and the chief executive, and the senior management;
- (vii) the Board Diversity Policy, attached as an annex, should be taken into consideration when fulfilling duties under (i), (ii), (iii) and (v), thus to objectively estimate benefits of the board diversity;
- (viii) the Board Diversity Policy, measurable objectives and the progress made towards achieving those objectives under the policy, as well as efficiency of it will be reviewed and assessed annually;
- (ix) take any action to enable the Committee exercise the powers and functions delegated by the Board of Directors; and
- (x) comply with any requirements, directives and regulations that are specified by the Board of Directors, the articles of association of the Company or the legislation from time to time.

The provisions set out in paragraph (i) to (viii) of Clause 27(b) above are regarded as the key nomination criteria and principles of the Company for the nomination of directors, and these provisions constitute the nomination policy of the Company (the “Nomination Policy”).

- 28. The Committee is to be provided with adequate resources to perform its functions, including resources for seeking independent and professional advice.
- 29. The Committee is accountable to the Board of Directors. Resolutions proposed by the Committee shall be submitted to the Board of Directors for consideration and decision, among which, resolutions on the nomination of candidates for directors shall be submitted to the general shareholders’ meeting for consideration and approval upon approval by the Board of Directors prior to implementation. The Committee shall make sure that where the Board of Directors proposes a resolution to elect an individual as an independent non-executive director 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/she should be elected and the reasons why they consider him/her to be independent.

30. The Committee shall exercise other relevant duties and powers provided or recommended by the Listing Rules and/or relevant applicable laws, regulations and rules that are enforceable from time to time.

DECISION-MAKING PROCEDURES

31. The Committee shall examine the election criteria and procedures and the term of office of directors and senior management of the Company in accordance with relevant laws and regulations and the provisions of the articles of association while taking into consideration of the Company's actual circumstances. The Committee shall, upon formation of a resolution, submit it to the Board of Directors for approval and, if approved, implement it accordingly.
32. The procedures for the selection and appointment of directors and senior management are as follows:
 - (a) the Committee shall actively carry out communications with relevant departments of the Company in examining the Company's demand for new directors and senior management and prepare written materials;
 - (b) the Committee may search for candidates for directors and senior management on an extensive scale in the Company, holding enterprises (with a controlling or minority interest) and the job market;
 - (c) the Committee shall collect and assess the following information and aspects about the candidates, and form writing materials, including but not limited to:
 - (i) diversity in all aspects, including gender, age, cultural and educational background, professional experience, skills, knowledge and work experience;
 - (ii) qualifications, including the achievements and experience in relevant industries related to the business of the Company;
 - (iii) willingness to devote sufficient time to perform the duties as member of the Board of Directors and other responsibilities as a director or senior management;
 - (iv) integrity and reputation;

- (v) independence of candidates for independent non-executive directors, which is assessed with reference to the factors as set out in rule 3.13 of the Listing Rules and any other factors deemed as appropriate by the Committee or the Board of Directors;
 - (vi) potential contributions to the Board of Directors and the management; and
 - (vii) other relevant aspects that apply to the business of the Company.
- (d) the Committee shall seek the consent of the nominees on the nomination or otherwise such persons shall not be nominated for directors and management;
 - (e) the Committee shall convene a meeting to conduct a qualification check of the preliminary candidates based upon the appointment criteria for directors and senior management;
 - (f) the Committee shall submit to the Board of Directors its recommendations on the candidates for directors and senior management and relevant materials in one to two weeks prior to the election of new directors or the appointment of new senior management; and
 - (g) the Committee shall implement other follow-up work in accordance with the decisions and feedback of the Board of Directors.
33. The Committee shall report to the Board of Directors on a regular basis. The chairman of the Committee shall report the findings and recommendations of the Committee to the Board of Directors at the next meeting of the Board of Directors following the meeting of the Committee.



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1. PURPOSE

This Policy aims to set out the approach to achieve diversity on the Company’s board of directors (the “Board”).

2. SCOPE OF APPLICATION

The Policy applies to the Board. It does not apply to employees of the Company and its subsidiaries.

3. SIGNIFICANCE

The Company holds the belief that the board diversity will be immensely beneficial for the enhancement of the Company’s performance. The board diversity helps the Board make reasonable decisions, improve efficiency of the Board, make sure high level of corporate governance and enhance health and sustainable development of the company.

4. POLICIES

The Company will make efforts to keep an appropriate balance in diversity of skills, experience, opinions and point of view of the Board members, to support the execution of business strategies and efficiency of Board operation.

With a view that [diversity] is a broad concept, the Company may consider the board diversity in designing the Board’s composition from a number of aspects, including but not limited to gender, age, culture and educational background, 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.

5. IMPLEMENTATION

The Nomination Committee of the Board (the「Nomination Committee」) should be responsible for the identification of individuals suitably qualified to become Board members, and shall fully consider this Policy in the process of performing this duty. The Board and the general meeting shall also take into full consideration of this Policy when making a determination of the Board composition.

6. MEASURABLE OBJECTIVES

Selection of candidates for Board membership will be based on a range of diversity perspectives, including but not limited to gender, age, culture and educational background, 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, age, professional experience, and length of service) will be disclosed in the Corporate Governance Report in the annual report of the Company.

7. MONITORING AND REPORTING

The Nomination Committee will monitor the implementation of this Policy and report the Board's composition under diversified perspectives in the Corporate Governance Report in the annual report of the Company.

8. REVIEW OF THIS POLICY

The Nomination Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for approval.

9. DISCLOSURE OF THIS POLICY

This Policy will be published on the Company's website for public information. A summary of this Policy together with the measurable objectives set for implementing this Policy, and the progress made towards achieving those objectives will be disclosed in the Corporate Governance Report in the annual report of the Company.