



# LUEN THAI HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

(the "Company")

(Stock Code: 311)

## **NOMINATION COMMITTEE Terms of Reference (the "Terms")**

### **Formation**

1. The board of directors of the Company (the "Board") resolved the establishment of Nomination Committee (the "Committee") on 30 March 2012.

### **Composition**

2. The Committee shall be chaired by the chairman of the Board or an independent non-executive director and comprises a majority of independent non-executive directors.
3. The appointment of the members and the secretary of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board.
4. A member of the Committee departing from the Company or ceasing to be a director of the Company shall upon such cessation immediately and automatically cease to be a member of the Committee.

### **The Secretary**

5. The company secretary of the Company, or his or her nominee, shall act as the secretary of the Committee (the "Secretary").

### **Frequency of meetings**

6. The Committee shall meet as and when necessary or as requested by any member of the Committee, but in any case, not less than once a year.

### **Quorum**

7. The quorum necessary for the transaction of the business of the Nomination Committee shall be two members of the Committee.

### **Notices of the Meeting**

8. Meetings of the Committee shall be summoned by the Secretary at the request of any of its members.

9. Unless otherwise agreed by all the Committee members, a meeting of the Committee shall be called with at least three days' prior notice specifying the date, time and venue/method of the meeting.
10. Unless waived by all members of the Committee, an agenda of the matters to be discussed shall be sent to each member of the Committee at least three days before the date of the meeting. Meeting documents including such meeting agenda shall be sent to the members of the Committee at the same time.

### **Duties**

11. The duties of the Committee include:
  - (a) review the structure, size and composition (factors including but not limited to age, gender, skills, knowledge, experience and diversity of perspectives) of the board at least annually and make recommendations on any proposed changes to the board to complement the issuer's corporate strategy;
  - (b) 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 Company's board diversity policy (the "Board Diversity Policy") and the individuals' ability to contribute to the effectiveness of the Board in carrying out its responsibilities set out in the Company's articles of association, the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time) (the "Listing Rules") and applicable law and regulation;
  - (c) make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman of the Board and the Chief Executive Officer.
  - (d) assess the independence of independent non-executive directors;
  - (e) the policy for the nomination of directors of the Company ("Nomination Policy") shall be reviewed periodically;
  - (f) review the Board Diversity Policy, as appropriate, and review the measurable objectives, if any, that the Board has set for implementing the Board Diversity Policy and the progress on achieving the objectives, and disclosing its review results in the Corporate Governance Report annually.;
  - (g) review annually the time commitment required from non-executive directors; and
  - (h) the Committee shall consider other matter, as delegated by the Board from time to time.

### **Nomination Policy**

12. The provisions set out in the above paragraphs 11(a), 11(b) and 11(c) are regarded as the key nomination criteria and principles of the Company for the nomination of Directors of the Board, and these provisions constitute the "Nomination Policy" of the Company.

### **Nomination Criteria**

13. The Committee shall consider, among other criteria, the following factors in assessing the suitability of individuals nominated for directorship:
  - (a) age, skills, knowledge, experience, expertise, professional and educational qualifications, background and other personal qualities of the candidate;

- (b) effect on the Board's composition and diversity;
- (c) commitment of the candidate to devote sufficient time to effectively carry out his/her duties. In this regard, the number and nature of offices held by the candidate in public companies or organizations, and other executive appointments or significant commitments will be considered;
- (d) potential/actual conflicts of interest that may arise if the candidate is selected;
- (e) independence of the candidate;
- (f) in the case of a proposed re-appointment of an independent non-executive director, the number of years he/she has already served the Company; and
- (g) other factors considered to be relevant by the Committee on a case by case basis.

### **Nomination Procedures**

#### 14. Appointment of Directors

- (a) The Committee identifies individual(s) suitably qualified to become Board members, having due regard to the Nomination Policy, and the Board Diversity Policy, and assesses the independence of the proposed independent non-executive Director(s) as appropriate.
- (b) The Committee may use any process it deems appropriate to evaluate the candidate(s), which may include personal interviews, background checks, presentations or written submissions by the candidate(s) and third party references;
- (c) The Committee makes recommendation(s) to the Board;
- (d) The Board considers the individual(s) recommended by the Committee, having due regard to the Nomination Policy, the Board Diversity Policy and the CG Guidelines;
- (e) The Board confirms the appointment of the individual(s) as Director(s) or recommends the individual(s) to stand for election at a general meeting. Individual(s) appointed by the Board to fill a casual vacancy or as an addition to the Board will be subject to re-election by shareholders of the Company (the "Shareholders") at the next annual general meeting after initial appointment in accordance with the Company's articles of association; and
- (f) The Shareholders approve the election of individual(s), who stand(s) for election at general meeting, as Director(s).

#### 15. Re-appointment of Directors

- (a) The Committee considers each retiring Director, having due regard to the Nomination Policy, the Board Diversity Policy and the Corporate Governance Guidelines, and assesses the independence of each retiring independent non-executive Director;
- (b) The Committee makes recommendation(s) to the Board;
- (c) The Board considers each retiring Director recommended by the Committee, having due regard to the Nomination Policy, the Board Diversity Policy and the CG Guidelines;
- (d) The Board recommends the retiring Directors to stand for re-election at the annual general meeting in accordance with the Company's articles of association; and

- (e) The Shareholders approve the re-election of Directors at the annual general meeting.
16. The Board shall have the ultimate responsibility for all matters relating to the selection and appointment of Directors.

#### **Authority**

17. The Committee is authorised by the Board to investigate any activity within its Terms.
18. 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.

#### **Reporting Procedures**

19. Minutes of the Committee's meetings shall be kept by the Secretary of the meeting, and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director.
20. Minutes of meetings of the Committee shall record in sufficient detail the matters considered by the Committee and decisions reached, including any concerns raised by Directors, members or dissenting views expressed. Draft and final versions of minutes of such meetings should be sent to all members of the Committee for their comment and records respectively.
21. Without prejudice to the generality of the duties of the Committee set out in these Terms, the Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless prohibited by applicable laws and regulations (such as a restriction on disclosure due to regulatory requirements).

#### **Availability and Update of the Terms**

22. These Terms shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements in Hong Kong. These Terms shall be made available to the public by including the same on the websites of the Stock Exchange and the Company