

## **Terms of Reference for the Nomination Committee**

The Board of Directors of the Company resolved to establish a Nomination Committee (the "Committee") which is primarily responsible for research and suggestion on selection criteria and procedure of directors, general manager and other members of the senior management, searching for, examining and suggesting qualified candidates.

### **Membership**

1. The Committee shall comprise five directors from the Company, the majority of whom should be the independent non-executive directors. The term of its members is the same as the directors. A quorum to attend the meeting is three members.
2. The members and the Chairman of the Committee must be appointed by the Board.

### **Attendance at Meetings**

3. The Director of Personnel must attend meetings of the Committee, and other members of the Board of Directors and the Board of Supervisors shall also have the right of attendance.

### **Secretary**

4. The Board Secretary shall act as the secretary of the Committee.

### **Frequency of Meetings**

5. The Committee shall hold meetings no less than twice a year. Any member from the Committee, any director or supervisor and General Manager, financial officers, Board Secretary or other members of the senior management may request a meeting if they consider that one is necessary.

### **Authorities**

6. The Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
7. The Committee shall have access to sufficient resources to carry out its duties. The Committee is authorized to obtain external independent professional advice, or retain external professional consultancies for remuneration market survey or secure attendance of outsiders with relevant expertise and experience, if it considers this necessary.
8. If the Board passes any nomination or nomination arrangement that was not passed by the Committee before, the Board shall disclose its reason for passing the nomination or nomination arrangement in the next annual report.

### **Duties**

9. The duties of the Committee shall be:

(1) to review regularly the structure, number, composition (including expertise, knowledge and experience, etc.) of the Board and research the selection criteria and procedure of directors, General Manager and other members of the senior management, and present its suggestions to the Board on any proposed changes.

(2) to search for qualified candidates to the Board, General Manager and other members of the senior management;

(3) to examine qualifications of candidates to the Board, General Manager and other members of the senior management and make proposals to the Board;

(4) to review the independence of independent non-executive directors;

(5) to recommend to the Board on nominating or re-nominating directors as well as succession plan for directors (especially for Chairman and General Manager); and

(17) to consider other topics, as defined by the Board.

### **Reporting Procedure**

10. Unless limited by law or regulation, the Committee shall report to the Board on its decisions or suggestions and the secretary shall circulate the minutes of the Committee's meeting to all members of the Board.

### **Publication**

11. The Committee shall make public its function and explain its role and power conferred by the Board

### **Effectiveness**

12. This Terms of Reference, together with any supplementation and modification to it, shall come into force after being approved by the meeting of the Board, and the Board shall undertake to construe it.