



## **Nomination Committee**

### **Terms of Reference**

#### **1. Functions**

The Nomination Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Asia Financial Holdings Limited (the “Company”) to:

- (a) identify, select and nominate suitable individuals for appointment as directors, chief executive and senior executive of the Company and its subsidiaries (collectively the “Group”);
- (b) ensure fair and transparent procedures are adopted for all nomination, recommendation and appointment of directors and members of the Audit Committee, the Compliance Committee, the Nomination Committee, the Remuneration Committee and the Risk Committee (the “Board Committees”) within the Group;
- (c) review and recommend changes to the structure, size, composition and diversity of the Board of the Group;
- (d) recommend the succession policy for executive levels within the Group.

#### **2. Membership**

- (a) The Board appoints the Chairperson and members of the Committee and determines their remuneration based on the Remuneration Committee’s recommendation. The Chairperson shall be the Chairperson of the Board or an independent non-executive director.
- (b) The Committee should have at least three members with the maximum up to five members and with at least one member of a different gender. The majority of the members should be independent non-executive directors.
- (c) The tenure of the members is two years and retiring members are eligible for re-appointment.



### 3. **Authority**

The Committee is authorised by the Board to:

- (a) conduct interviews with prospective candidates for nomination;
- (b) nominate candidates to stand for election by shareholders as directors;
- (c) nominate candidates to fill casual vacancies on the Board or as an addition to the Board;
- (d) nominate directors to act as members for the Board Committees established within the Group;
- (e) employ consultants or executive search agencies, at the expenses of the Group, for identifying qualified candidates as directors;
- (f) be provided with sufficient resources to enable it to discharge its functions, including the resources for seeking independent professional advice.

### 4. **Responsibilities**

The main responsibilities of the Committee are to:

- (a) formulate and maintain a fair and transparent nomination policy for the Group, which can bring the nomination practice in line with the code provisions in the Corporate Governance Code under the Listing Rules of Hong Kong, then recommend it to the Board for adoption and disclosure in the Company's corporate governance report;
- (b) establish formal and transparent procedures as well as selection process for the nomination and appointment of executive and non-executive directors to the Board;
- (c) consider and recommend to the Board the re-appointment of directors who shall retire by rotation at the Annual General Meeting;
- (d) review and monitor the structure, size, composition and diversity of the Board at least annually, assist the board in maintaining a board skills matrix, and make recommendations regarding any proposed changes;



- (e) review and assess regularly the time commitment and contribution to the Board by each director as well as the director's ability to discharge his or her responsibilities;
- (f) assess the independence of independent non-executive directors ("INEDs") and review INEDs' annual confirmations on their independence;
- (g) identify and nominate qualified candidates for appointments as senior executives when delegated by the Board;
- (h) review the Board Diversity Policy, as appropriate, to ensure its effectiveness; and recommend any revision, if require, to the Board for consideration and approval;
- (i) develop the measurable objectives of the Board Diversity Policy and recommend to the Board for adoption; also review the progress and achievement of the developed measurable objectives and make appropriate disclosure of its review results in the Company's corporate governance report;
- (j) support the Company's regular evaluation of the Board's performance;
- (k) do any such things to enable the Committee to discharge its responsibilities conferred on it by the Board.

## **5. Meetings**

- (a) The Committee shall meet at least once a year and members may request a meeting if they think necessary.
- (b) At least two members of independent non-executive director shall constitute a quorum.
- (c) The Company Secretary shall be the secretary of the meeting.
- (d) Minutes of the Committee meetings shall be circulated to all members of the Committee and made available upon request to other members of the Board.



- (e) Summary report on the resolved issues, comments or recommendations (if any) should be sent to the Board by the Committee after each Committee meeting. A separate report should be addressed to the Board of Asia Insurance on any relevant issues.
- (f) The Chairperson shall invite, as he / she considers appropriate, executive directors, any member of staff or any person within the Committee's authority to attend the meeting.

**6. Annual General Meeting**

The Chairperson of the Committee shall attend the Annual General Meeting and prepare to response to any shareholder's questions on the Committee's activities.

**7. Review**

The Board shall review at least annually the adequacy of these Terms of Reference and make appropriate amendments, as and when required. Additional review and amendments could be arranged if there is a request by the Committee members on settling urgent matters.

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