

TK Group (Holdings) Limited
東江集團（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2283)

(hereafter the “**Company**”)

NOMINATION COMMITTEE – TERMS OF REFERENCE

(Effective on 1 January 2019)

1. Members

- 1.1 The nomination committee should be established by the board of the Company (“**Board**”) and the majority of the nomination committee members must be independent non-executive directors of the Company.
- 1.2 The nomination committee must be chaired by the chairman of the Board or an independent non-executive director and appointed by the Board.
- 1.3 The terms of appointment of nomination committee members are determined by the Board at the appointment date.

2. Secretary

- 2.1 The company secretary of the company shall act as the secretary of the nomination committee.
- 2.2 The nomination committee may from time to time, appoint any other person with appropriate qualification and experience to act as the secretary of the nomination committee.

3. Meetings

- 3.1 The nomination committee should meet at least once a year.
- 3.2 Notice of at least 14 days should be given for any meeting, unless such notification is waived by all members of the nomination committee. Notwithstanding the notification period, the attendance of the member of the committee at the meeting would deem to be treated as the waiver of the required notification requirement. If the follow up meeting takes place within 14 days after the meeting, then no notification is required for such follow up meeting.

- 3.3 The quorum necessary for the transaction of business of the nomination committee shall be two members of the nomination committee, one of whom must be an independent non-executive director.
- 3.4 Meeting can be attended in person or via electronic means including telephonic or videoconferencing. Any members of the Committee or other attendees can attend the meeting via telephonic or any similar communication device (all persons attending such meeting should be able to hear from such member via such communication device).
- 3.5 The resolution of the nomination committee should be passed by more than half of the members.
- 3.6 The resolution passed and signed by all members is valid, and the validity is same as any resolution passed in the meeting held.
- 3.7 Full minutes of nomination committee meeting should be kept by a duly appointed secretary of the nomination committee. Draft and final versions of minutes of the meeting should be sent to all committee members for their comments and records, within a reasonable time after the meeting.

4. Meeting attendance

- 4.1 Upon invitation from the nomination committee, the chairman of the Board and/or the general manager or the chief executive officer, external advisor and the other persons can be invited to attend all or part of any meeting.
- 4.2 Only the member of nomination committee can vote in the meeting.

5. Annual General Meetings

- 5.1 The chairman of nomination committee or (if absent) the other member of the nomination committee (who must be an independent non-executive director) should attend the annual general meeting of the Company, handle the shareholders' enquiry on the activities and responsibilities related to the nomination committee.

6. Duties and Powers

The nomination committee is responsible shall have the following duties and powers:

- 6.1 to review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- 6.2 to identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- 6.3 to assess the independence of independent non-executive Directors;
- 6.4 to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive;
- 6.5 to review the policy on Board diversity (the "**Board Diversity Policy**") and any measurable objectives for implementing such Board Diversity Policy as may be adopted by the Board from time to time and to review the progress on achieving the objectives; and to make disclosure or its review results in the annual report of the Company annually;
- 6.6 where the Board 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:
 - the process used for identifying the individual;
 - why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;
 - if the proposed INED will be holding their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;

- the perspectives, skills and experience that the individual can bring to the Board; and
- how the individual contributes to diversity of the Board.

6.7 to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and

6.8 to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the articles of association of the Company or imposed by law.

7. Declaration responsibilities

7.1 The nomination committee has to report to the Board after each meeting.

8. Authority

8.1 The nomination committee member should have access to independent professional advice in the expense of the Company if necessary, in order to fulfill his responsibility of being a member of the nomination committee.

8.2 The nomination committee should be provided with sufficient resources to perform its duties.

9. Nomination Policy and Procedure

The Board should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. To ensure changes to the Board composition can be managed without undue disruption, there should be a formal, considered and transparent procedure for selection, appointment and re-appointment of Directors, as well as plans in place for orderly succession (if considered necessary), including periodical review of such plans. The appointment of a new Director (to be an additional Director or fill a casual vacancy as and when it arises) or any re-appointment of Directors is a matter for decision by the Board upon the recommendation of the proposed candidate by the Committee.

The criteria to be applied in considering whether a candidate is qualified shall be his or her ability to devote sufficient time and attention to the affairs of the Company and contribute to the diversity of the Board as well as the effective carrying out by the Board of the responsibilities which, in particular, are set out as follows:

- 9.1 participating in Board meetings to bring an independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
- 9.2 taking the lead where potential conflicts of interests arise;
- 9.3 serving on the Audit and Risk Management Committee, the Remuneration Committee and the Committee (in the case of candidate for non-executive Director) and other relevant Board Committees, if invited;
- 9.4 bringing a range of business and financial experience to the Board, giving the Board and any Committees on which he or she serves the benefit of his or her skills, expertise, varied backgrounds and qualifications and diversity through attendance and participation in the Board/Committee meetings;
- 9.5 scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;

If the candidate is proposed to be appointed as an INED, his or her independence shall be assessed in accordance with, among other things, the factors as set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time. Where applicable, the totality of the candidate's education, qualifications and experience shall also be evaluated to consider whether he or she has the appropriate professional qualifications or accounting or related financial management expertise for filling the office of an INED with such qualifications or expertise as required under Rule 3.10(2) of the Listing Rules.

10. Availability and Update of the Terms of Reference

These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements (e.g. Listing Rules) in Hong Kong. These terms of reference shall be made available to the public by including the same on the websites of the Stock Exchange and the Company.