



**ZH INTERNATIONAL HOLDINGS LIMITED**

**正恒國際控股有限公司**

(於香港註冊成立之有限公司)

(股份代號: 185)

## **Nomination Committee Terms of Reference**

(amended and restated with effect from 1 January 2019)

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Reference to “Committee” shall mean the Nomination Committee of ZH International Holdings Limited.

Reference to the “Board” shall mean the board of directors of ZH International Holdings Limited.

Reference to the “Company” shall mean ZH International Holdings Limited and reference to the “Group” shall mean the Company and its subsidiary undertakings.

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### **1. Membership**

- 1.1 Members of the Committee shall be appointed by the Board and shall be made up of at least three members, the majority of whom should be independent non-executive directors;
- 1.2 Only members of the Committee have the right to attend Committee meetings. Other executives of the Group (if he is not already a member) may be invited to attend for all or part of any meeting, as and when appropriate;
- 1.3 Appointments to the Committee shall be for such initial period (subject to extension) as prescribed by the Board; and

- 1.4 The Board shall designate one of the members as the Committee Chairman. In the absence of the Committee Chairman, the remaining members present shall elect one of their members to chair the meeting. The Chairman of the Board shall not chair the Committee when it is dealing with the matters of his own appointment and succession to the chairmanship.

## **2. Secretary**

The members shall nominate a secretary to the Committee.

## **3. Quorum**

The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

## **4. Frequency of Meetings**

- 4.1 The Committee shall meet at such time as the Committee shall require.

## **5. Notice of Meetings**

- 5.1 Meetings of the Committee shall be convened by the Committee Chairman or the secretary of the Committee with authorization from the Committee Chairman; and
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend at least 14 days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at least 3 clear days in advance of the meeting.

## **6. Minutes of Meetings**

The Committee Chairman shall arrange for keeping of records of resolutions

passed at Committee meetings, and circulate the same to all members of the Committee within a reasonable time after each meeting and, once agreed, to all other members of the board, unless a conflict of interest exists.

## **7. Annual General Meeting**

The Committee Chairman should, as far as practicable, attend the Annual General Meeting and make himself available to respond to any shareholder questions on the Committee's activities.

## **8. Duties and responsibilities**

The duties of the Committee shall include, but shall not be limited to the following:

- 8.1 to review the performance of the Board and ensure the Board and its committees consists of directors with the appropriate balance of skills, diversity and knowledge of the Company to enable it to discharge its duties effectively;
- 8.2 to assist the Board in succession planning for the Board and senior management;
- 8.3 to review the structure, size and composition (including the skills, knowledge and experience) of the Board annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy. When reviewing the structure, size and composition of the Board, the Committee shall take into consideration of a number of factors, including but not limited to gender, age, cultural and educational background, or professional experience in accordance with the board diversity policy adopted by the Company from time to time to achieve Board diversity;
- 8.4 to draw up, review and update, as appropriate, the diversity policy for the Board's approval having due regard to the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, review and update the objectives that the Board has set for implementing such policy;
- 8.5 to develop, review and implement, as appropriate, the policy, criteria and procedures for the identification, selection and nomination of candidates for

Directors for the Board's approval. Such criteria include but are not limited to the potential contributions a candidate can bring to the Board in terms of qualifications; skills, experience, independence and gender diversity;

- 8.6 to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorship;
- 8.7 to make recommendations to the Board on the appointment or re-appointment of directors of the Company and succession planning for directors and senior management, taking into account all factors which the Committee considers appropriate including the challenges and opportunities facing the Company and skills and expertise required in the future;
- 8.8 to keep under review the leadership needs and leadership training and development programme of the Group, with a view to ensuring the continued ability of the Group to function effectively and compete in the market;
- 8.9 to evaluate the needs for, and monitor the training and development of, directors;
- 8.10 to develop the procedures for the performance evaluation of the Board committees:
  - (i) review and assess the skills, knowledge and experience required to serve on various Board committees, and make recommendations on the appointment of members of Board committees and the chairman of each committee;
  - (ii) recommend candidates to the Board to fill vacancies or new positions on the Board committees as necessary or desirable;
  - (iii) review the feedback in respect of the role and effectiveness of the Board committees arising from the evaluation of the Board and/or any Board committees and make recommendations for any changes;
- 8.11 to assess the independence of independent non-executive directors of the Company;

- 8.12 to review the board diversity policy as appropriate and to review the measurable objectives under the board diversity policy and the progress of the attainment of the objectives, so as to ensure effective implementation; and make disclosure of its review results in the corporate governance report; and
- 8.13 where the Board propose a resolution to elect an individual as an independent non-executive director of the Company at the general meeting of the Company, the Committee should set out in the circular to shareholders of the Company and/or explanatory statement accompanying the notice of the relevant general meeting of the Company:
- (i) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;
  - (ii) if the proposed independent non-executive director 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;
  - (iii) the perspectives, skills and experience that the individual can bring to the Board; and
  - (iv) how the individual contributes to diversity of the Board.

## **9. Reporting Responsibilities**

- 9.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities; and
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

## **10. Authority**

- 10.1 The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties; and

10.2 The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.