

**SOMERLEY CAPITAL HOLDINGS LIMITED**  
新百利融資控股有限公司  
*(incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 8439)**  
**(the “Company”)**

**NOMINATION COMMITTEE – TERMS OF REFERENCE**

Approved by the board of directors of the Company (the “Board”) on 9 March 2017

**1. Membership**

- 1.1 The nomination committee (the “Committee”) shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members.
- 1.2 The majority of the Committee members should be independent non-executive directors of the Company.
- 1.3 The chairman of the Committee must be appointed by the chairman of Board or an independent non-executive director.
- 1.4 The quorum of the Committee meeting shall be two members.
- 1.5 A member who wishes to retire or resign from the Committee should provide notice to the Company so that a replacement may be appointed before he leaves.

**2. Casting vote**

- 2.1 In the case of an equality of votes, the chairman of the Committee shall have the casting vote.

**3. Authority**

- 3.1 The Committee is authorised by the Board to investigate any activity within the Terms of Reference and seek any necessary information which is within its scope of duties from the Company and its subsidiaries (including the members of the Board) and shall be provided with sufficient resources to discharge its duties; and
- 3.2 where necessary, the Committee should seek independent professional advice, at the Company’s expense, to perform its responsibilities.

**4. Duties, Powers and Discretion**

The duties, powers and discretion of the Committee are:-

- 4.1 to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- 4.2 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;
- 4.3 to receive nominations from shareholders or directors when such are tendered and to make recommendations to the Board on the candidacy of the nominees, having regard to the Board's compositional requirements and suitability of the nominees;
- 4.4 to assess the independence of independent non-executive directors and 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 why they believe he should be elected and the reasons why they consider him to be independent;
- 4.5 to 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. Specifically, the Committee shall review the succession plan of the Company every financial year;
- 4.6 to consider other topics as defined by the Board; and
- 4.7 to review the policy on the Board diversity and measurable objectives for implementing such policy from time to time adopted by the Board and to review progress on achieving these objectives.

## **5. Reporting**

- 5.1 The Committee shall report to the Board on its decisions or recommendations on a regular basis.
- 5.2 The chairman of the Committee should attend the annual general meeting. In his absence, he should invite another member of the Committee or failing this his duty appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting.

## **6. Disclosure**

- 6.1 The Committee shall make available these terms of reference on the website

of the Growth Enterprise Market operated by The Stock Exchange of Hong Kong Limited and the Company's website explaining the role of the Committee and the authority delegated to it by the Board.

**7. Administration**

- 7.1 The Committee shall hold at least one meeting each financial year. The meeting may be held by means of a conference telephone or other communication facility.
- 7.2 The meetings and proceedings are governed by the provisions contained in the Company's articles of association for regulating the meetings and proceedings of directors.
- 7.3 An agenda and accompanying papers shall be sent in full to all members of the Committee in a timely manner and at least 3 days before the intended date of the meeting of the Committee (or such other period as agreed by its members).
- 7.4 The company secretary of the Company shall be the secretary of the Committee.