

# **CONVOY FINANCIAL SERVICES HOLDINGS LIMITED**

**(the “Company”, and together with its subsidiaries, the “Group”)**

## **TERMS OF REFERENCE NOMINATION COMMITTEE OF THE COMPANY (the “Nomination Committee”)**

The Nomination Committee of the Company is a committee of the board of directors of the Company (the "Board") to make recommendations and conduct review or search to ensure that the Board has the most suitable structure, size, composition and skills to carry out its duties. It shall also make recommendations to ensure the sustainability of the Board as well as senior leadership such as the Chief Executive Officer by having a succession plan in place. In addition, the Nomination Committee will be responsible for proposing to the Board gaps in skills, experience and knowledge on the Board and identify suitable candidates for its consideration.

### **MEMBERSHIP**

1. The Nomination Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than two members. A quorum shall be two members.
2. The Chairman of the Nomination Committee shall be the chairman of the Board or an independent non-executive director appointed by the Board.
3. The majority of the members of the Nomination Committee shall be independent non-executive directors.
4. The term of appointment shall be three years and shall coincide with the member’s tenure as a director to the Board.
5. Members are eligible for re-appointment subject to the approval by the Board.

### **MEETINGS**

6. The Nomination Committee may invite to its meetings, or part thereof, any officer or director of the Company or any other person that the Nomination Committee deems appropriate in order to carry out its responsibilities.

7. The Company Secretary or his/her designate shall be the secretary of the Nomination Committee.
8. The Nomination Committee shall meet as necessary to enable it to fulfil its responsibilities and duties as set forth herein or as directed by the Board. But in no event shall the Nomination Committee meet less than twice a year.
9. The Nomination Committee may act by unanimous written consent without a meeting.
10. Meetings may also be held telephonically.

#### **AUTHORITY**

11. The Nomination Committee was authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.
12. The Nomination Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

#### **DUTIES**

13. The duties of the Nomination Committee shall include the following aspects:
  - 13.1. to consider and recommend to the Board the structure, size and composition (including skills, knowledge and experience) required of the Board to discharge its duties;
  - 13.2. to review at least annually the structure, size and composition (including skills, knowledge and experience) required of the Board compared to its current position and make recommendation to the Board with regards to any changes;
  - 13.3. to consider and recommend to the Board the appointment or re-appointment of directors based on best practices;

- 13.4. to identify and nominate for the Board's approval candidates suitably qualified to become members of the Board vacancies as well as Board committees as and when they arise after evaluation of the perceived gaps on the Board as well as the candidate's skills, experience, knowledge and time which the candidate is able to dedicate to the Company and to select or make recommendations to the Board on the selection of individuals nominated for directorships;
- 13.5. to consider, propose and recommend to the Board succession planning for both executive and non-executive directors and in particular, for the key roles of the chairman and chief executive officer to ensure the continued ability of the Company to compete effectively in the marketplace and in particular, to assess the independence of independent non-executive directors of the Company;
- 13.6. to review and consider potential conflicts of interest of members of the Board;
- 13.7. to evaluate and if necessary, recommend the termination of Board membership of any director in accordance with the Company's code of conduct or any corporate governance principles adopted by the Board or for other appropriate reason;
- 13.8. to develop and facilitate continuous training programmes for directors;  
and
- 13.9. to develop an on-boarding programme for new directors.

#### **REPORTING PROCEDURES**

14. The secretary shall circulate the minutes of the Nomination Committee to all members of the Board.
15. The Nomination Committee shall report to the shareholders through the Company's annual report if the Nomination Committee considers fit and necessary.

Hong Kong, 29 March 2012