



**國農金融投資有限公司**  
**China Demeter Financial Investments Limited**

**(“Company”)**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 8120)**

## **TERMS OF REFERENCE OF THE NOMINATION COMMITTEE (“COMMITTEE”) OF THE BOARD OF DIRECTORS (“BOARD”) OF THE COMPANY**

### **1. TERMS OF REFERENCE**

1.1 These terms of reference of the Committee was first adopted on 15 December 2011 and amended on 31 December 2018.

### **2. MEMBERSHIP**

2.1 Members of the Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members and a majority of whom shall be independent non-executive directors.

2.2 The Chairman of the Committee shall be appointed by the Board and shall be the chairman of the Board or an independent non-executive director.

2.3 The secretary of the Committee shall be appointed by the Board.

2.4 The appointment of the members of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee.

### **3. PROCEEDINGS OF THE COMMITTEE**

#### **3.1 Notice:**

- (a) Unless otherwise agreed by all the Committee members, a meeting shall be called by at least seven days' notice.
- (b) A Committee member may and, on the request of a Committee member, the secretary to the Committee shall, at any time summon a Committee meeting. Notice shall be given to each Committee member in person orally or in writing or by telephone or by email or by facsimile transmission at the telephone or facsimile or address or email address from time to time notified to the secretary by such Committee member or in such other manner as the Committee members may from time to time determine.
- (c) Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.
- (d) Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting.

3.2 **Quorum:** The quorum of the Committee meeting shall be two members of the Committee and a majority of which shall be the independent non-executive directors.

3.3 **Frequency:** Meetings shall be held at least once a year to review, formulate and consider the nomination procedures as regards the appointment, reappointment and removal of directors of the Company, their implementation during the year and to make recommendations to the Board on candidates for appointment as directors.

### **4. WRITTEN RESOLUTIONS**

4.1 Written resolutions may be passed by all Committee members in writing.

### **5. ALTERNATE COMMITTEE MEMBERS**

5.1 A Committee member may not appoint any alternate.

## **6. AUTHORITY OF THE COMMITTEE**

6.1 The Committee may exercise the following powers:

- (a) to seek any information it requires from any employee of the Company and its subsidiaries (together, the “**Group**”) and any professional advisers in order to perform its duties, to require any of them to prepare and submit reports and to attend Committee meetings and to supply information and address the questions raised by the Committee;
- (b) to review the performance of the directors and the independence of independent non-executive directors in relation to their appointment or reappointment as directors;
- (c) to obtain, at the Company’s expenses, outside legal or other independent professional advice on or assistance to any matters within these terms of reference, including the advice of independent human resource consultancy firm or other independent professionals, and to secure the attendance of outsiders with relevant experience and expertise at its meetings if it considers this necessary. The Committee shall have full authority to commission any search (including without limitation litigation, bankruptcy and credit searches), report, survey or open recruitment which it deems necessary to help it fulfill its duties and should be provided with sufficient resources to discharge its duties;
- (d) to review annually these terms of reference and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary; and
- (e) to exercise such powers as the Committee may consider necessary and expedient so that their duties under section 7 below can be properly discharged.

6.2 The Company should provide the Committee sufficient resources to perform its duties. When necessary, the Committee should seek independent professional advice, at the Company’s expenses, to perform its responsibilities.

## **7. DUTIES**

7.1 The duties of the Committee shall be:

- (a) to make recommendation and review the nomination policy of the Company;
- (b) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually;

- (c) to identify individuals suitably qualified to become members of the Board and may select individuals nominated for directorship;
- (d) to assess the independence of the independent non-executive directors;
- (e) to make recommendations to the Board on:
  - (i) the role, responsibilities, capabilities, skills, knowledge and experience required from members of the Board;
  - (ii) the policy on the terms of employment of non-executive directors;
  - (iii) the composition of the audit committee, remuneration committee and other board committees of the Company;
  - (iv) proposed changes to the structure (including diversity), size and composition of the Board to complement the Company's corporate strategy;
  - (v) candidates suitably qualified to become members of the Board;
  - (vi) the selection of individuals nominated for directorship;
  - (vii) the re-election by shareholders of the Company of any directors who are to retire by rotation having regard to their performance and ability to continue to contribute to the Board;
  - (viii) the continuation (or not) in service of any independent non-executive director serving more than nine years and to provide recommendation to the shareholders of the Company as to how to vote in the resolution approving the re-election of such independent non-executive director;
  - (ix) the appointment, re-appointment of directors; and
  - (x) succession planning for directors in particular the chairman and the chief executive;

- (f) to give full consideration to the following in the discharge of its duties as mentioned above or elsewhere in these terms of reference:
- (i) succession planning of directors;
  - (ii) leadership needs of the Group with a view of maintaining or fostering the competitive edge of the Group over others;
  - (iii) changes in market environment and commercial needs of the market in which the Group operates;
  - (iv) the skills and expertise required from members of the Board; and
  - (v) the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) with regard to directors of a listed issuer;
  - (vi) in respect of any proposed service contracts to be entered into by any members of the Group with its director or proposed director, which require the prior approval of the shareholders of the Company at general meeting under rule 17.90 of the GEM Listing Rules, to review and provide recommendations to the shareholders of the Company (other than shareholders who are directors with a material interest in the relevant service contracts and their respective associates) as to whether the terms of the service contracts are fair and reasonable and whether such service contracts are in the interests of the Company and the shareholders as a whole, and to advise shareholders on how to vote;
  - (vii) to ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out what is expected of them in terms of time commitment, committee service and involvement outside meetings of the Board;
  - (viii) to conduct exit interviews with any director upon their resignation in order to ascertain the reasons for his departure; and
  - (ix) to consider other matters, as defined or assigned by the Board from time to time.

## **8. MINUTES AND RECORDS**

- 8.1 Full minutes of the meetings of the Committee and all written resolutions of the Committee should be kept by the secretary of the Committee.
- 8.2 The secretary of the Committee shall circulate the draft and final versions of minutes of the meeting of the Committee or, as the case may be, written resolutions of the Committee to all members of the Committee for their comment and records respectively within a reasonable time after the meeting or before the passing of the written resolutions.
- 8.3 The secretary of the Committee shall keep record of all meetings of the Committee held during each financial year of the Company and records of individual attendance of members of the Committee, on a named basis, at meetings held during that financial year.

## **9. CONTINUING APPLICATION OF THE BYE-LAWS OF THE COMPANY**

- 9.1 The bye-laws of the Company regulating the meetings and proceedings of the directors so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

## **10. POWERS OF THE BOARD**

- 10.1 The Board may, subject to compliance with the bye-laws of the Company and the GEM Listing Rules (including the Corporate Governance Code set out in Appendix 15 to the GEM Listing Rules or if adopted by the Company, the Company's own code of corporate governance practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.