

**KOWLOON DEVELOPMENT COMPANY LIMITED**  
**(“the Company”)**

**Terms of Reference**  
**of**  
**NOMINATION COMMITTEE**  
**(“the Committee”)**

**1. Background**

With effect from 1 April 2012, the Company is expected to comply with the code provisions in the Corporate Governance Code and Corporate Governance Report (Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) which include, inter alia, the requirement to establish the Committee with specific written terms of reference which deal clearly with its authority and duties. The Committee’s duties include reviewing the composition of the Board of Directors of the Company (“the Board”), identifying suitable Board members, assessing the independence of the Independent Non-executive Directors and making recommendations to the Board on appointments and re-appointments of Directors.

**2. Constitution**

The Board resolved on 29 March 2012 to establish a committee of the Board known as the Nomination Committee.

The Committee is established under the delegation from the Board pursuant to Article 131 of the Company’s Articles of Association.

**3. Membership**

3.1 Members of the Committee shall be appointed by the Board and shall consist of not less than three members. A majority of the members should be Independent Non-executive Directors.

3.2 The chairman of the Board should be the chairman of the Committee (“the Chairman”).

**4. Secretary**

4.1 The Company Secretary or such other person with appropriate qualification and experience as appointed by the Committee from time to time shall act as the Secretary of the Committee.

**5. Frequency and proceedings of meetings**

5.1 The Committee shall meet at least once every year before the holding of the Company’s annual general meeting where re-appointment of Directors will be considered. Additional meetings shall be held as the work of the Committee demands.

5.2 The Chairman may convene additional meetings as his discretion.

- 5.3 The quorum of a meeting shall be two members of the Committee who should be Independent Non-executive Directors.
- 5.4 The Company should provide the Committee sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice at the Company's expense to perform its responsibilities.
- 5.5 The Committee may, from time to time, invite advisers or such other persons as may be deemed necessary, to attend meetings.
- 5.6 Proceedings of meetings of the Committee shall be governed by the provisions of Article 133 of the Articles of Association of the Company.

## **6. Annual General Meeting**

- 6.1 The Chairman or another member of the Committee shall attend the Company's annual general meeting and be available to answer questions at the annual general meeting.
- 6.2 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:
  - (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.

## **7. Responsibilities, powers and functions**

- 7.1 The Committee shall formulate nomination policy and a policy concerning diversity of Board members for consideration of the Board and implement the aforesaid policies laid down by the Board. The Committee shall also disclose the policy on diversity or a summary of the policy in the corporate government report.
- 7.2 Without prejudice to the generality of the foregoing:-
  - (i) consider the selection criteria of Directors and develop procedures for the sourcing and selection of suitable members of the Board to be elected by shareholders;
  - (ii) 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;

- (iii) identify and nominate candidates suitably qualified to become Board members and select or make recommendations to the Board on the selection of candidates nominated for directorships. Sufficient biographical details of nominated candidates shall be provided to the Board and shareholders to enable them to make an informed decision;
- (iv) identify and nominate candidates to fill casual vacancies of Directors for the Board's approval;
- (v) assess the independence of Independent Non-executive Directors;
- (vi) 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;
- (vii) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- (viii) conform to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation.

## **8. Reporting Procedures**

- 8.1 The Committee shall report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the Chairman shall report the findings and recommendations of the Committee to the Board.
- 8.2 The Committee shall report back to the Board on its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.
- 8.3 Minutes of meetings of the Committee shall be kept by the Secretary. Draft and final versions of minutes of the meeting shall be circulated to all Committee members for their comments and records within a reasonable time after the meeting. Such minutes shall be opened for Directors' inspection.
- 8.4 The Secretary shall circulate the minutes of meetings of the Committee to other members of the Board.

## **9. Disclosures in the Annual Report to Shareholders**

- 9.1 The role and function of the Committee.
- 9.2 The composition of the Committee and whether it comprises Independent Non-executive Directors, Non-executive Directors and Executive Directors (including their names and identifying the Chairman).
- 9.3 The number of meetings held by the Committee during the year to discuss matters and the record of attendance of members, by name, at meetings held during the year.

- 9.4 A summary of the work during the year, including disclosing the policy for the nomination of Directors, performed by the Committee during the year. This includes the nomination procedures and the process and criteria adopted by the Committee to select and recommend candidates for directorship during the year. This section should also include the Board's policy or a summary of the policy on board diversity, including any measurable objectives that it has set for implementing the policy, and progress on achieving those objectives.

## **10. Publication of the Terms of Reference**

- 10.1 The terms of reference explaining the Committee's role and the authority delegated to it by the Board will be posted on both the websites of the Company ([www.kdc.com.hk](http://www.kdc.com.hk)) and The Stock Exchange of Hong Kong Limited. A copy of the terms of reference will be made available to any person without charge upon request.

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(These Terms of Reference approved by the Board on 27 March 2019)