

**China High Precision Automation Group Limited**  
(中國高精密自動化集團有限公司)  
(the “Company”)

**NOMINATION COMMITTEE - TERMS OF REFERENCE**

**(As adopted by the Board on 28 February 2012, amended with effect from 1 September 2013 and further amended with effect from 1 January 2019)**

**AUTHORITY**

1. The Nomination Committee shall have unrestricted access to other members of the board of directors (“Board”), senior management, the qualified accountant and internal controller in execution of its duties and responsibilities. All relevant employees will be directed to co-operate with any request made by the Nomination Committee.
2. Where necessary, the Nomination Committee should seek independent professional advice, at the Company’s expense, to perform its responsibilities and to secure the attendance of any external professional with relevant experience and expertise if necessary. The Company should provide the Nomination Committee sufficient resources to perform its duties.
3. The Company should establish the Nomination Committee which is chaired by the chairman of the Board or an independent non-executive director and comprises a majority of independent non-executive directors. The Nomination Committee should make available its terms of reference explaining its role and the authority delegated to it by the Board by including them on the website of The Stock Exchange of Hong Kong Limited and the Company’s website.

**RESPONSIBILITIES**

4. The Nomination Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it required from any employee and all employees are directed to co-operate with any request made by the Nomination Committee. The Nomination Committee should be provided with sufficient resources to perform its duties.

The duties of the Nomination Committee shall include the following :-

- (a) to review the structure, size and composition and diversity (including without limitations, gender, age, cultural and educational background, professional 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;
- (b) 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 on merits and against objective criteria, with due regard to the benefits of diversity on the Board;

- (c) to assess the independence of independent non-executive Directors;
- (d) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future;
- (e) to review the board diversity policy of the Company as appropriate; and review the measurable objectives that the Board has set for implementing the board diversity policy and the progress on achieving the objectives; and make recommendations to the Board on any of the aforesaid matters;
- (f) 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.

## **MEETINGS**

5. The Nomination Committee shall meet at least once a year.
6. The quorum of the meeting shall be any two members.
7. Resolutions of the Nomination Committee at any meeting shall be passed by a majority of votes of members if more than two members are present and by a unanimous vote if only two members are present.

## **NOMINATION COMMITTEE'S RESOLUTIONS**

8. A resolution in writing signed by all the members of the Nomination Committee shall be as valid and effective as if it had been passed at a meeting of the Nomination Committee and may consist of several documents in like form each signed by one or more of the members of Nomination Committee. Such resolution may be signed and circulated by

facsimile or other forms of electronic communications. This provision is without prejudice to any requirement under Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) for a meeting of the Board or Nomination Committee to be held.

### **REPORTING PROCEDURES**

9. (a) The Nomination Committee shall report to the Board. At the next meeting of the Board following a meeting of the Nomination Committee, the Chairman of the Nomination Committee shall report their decisions and recommendations of the Nomination Committee to the Board.
- (b) Full minutes of meetings of the Nomination Committee shall be kept by the secretary of the Nomination Committee. Draft and final versions of minutes of meetings of the Nomination Committee shall be sent to all members of the Nomination Committee for their comment and records respectively, in both cases within 7 days after the meeting.
- (c) Copies of the minutes of meetings of the Nomination Committee shall be provided to the Board at its meetings.
- (d) The Nomination Committee shall make available at least one of its members to attend the Company’s annual general meeting to answer shareholders’ questions about nomination related issues.

### **REVISION OF THE TERMS OF REFERENCE**

10. These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements (e.g. the Listing Rules).