



ARES ASIA LIMITED
(incorporated in Bermuda with limited liability)
(Stock code:645)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE
(Revised on 31 December 2018)

Definitions

For purposes of these terms of reference (“Terms”), the following expressions shall have the following meanings unless the context otherwise requires:

Board	the board of directors of the Company
Chairman	the chairman of the Nomination Committee
Code	Corporate Governance Code of the Listing Rules
Company	Ares Asia Limited, a company incorporated in Bermuda with limited liability, as it is renamed
Company Secretary	the company secretary of the Company
Directors	the directors of the Company
Group	the Company and its subsidiaries
Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange
Nomination Committee	nomination committee established by resolution of the Board
Shareholder(s)	the shareholder(s) of the Company
Stock Exchange	The Stock Exchange of Hong Kong Limited

1. Membership

- 1.1. Members of the Nomination Committee (“Member(s)”) shall be appointed by the Board. The Nomination Committee shall be made up of at least three Members and there should always be an odd number of Members. The Chairman does not have a second or casting vote.
- 1.2. The majority of Members shall be independent non-executive Directors.
- 1.3. Only Members have the right to attend Nomination Committee meetings. Other individuals such as the chairman of the Board, other Directors and representative from the finance or human resources functions of the Group and professional advisers, may be invited to attend all or part of any meeting as and when appropriate.

- 1.4. The Board shall appoint the Chairman who shall be the chairman of the Board or an independent non-executive Director. In the absence of the Chairman and/or an appointed deputy, the remaining Members present shall elect one of their Members who is either the chairman of the Board or an independent non-executive Director to chair the meeting.

2. Secretary

- 2.1. The Company Secretary or his nominee shall act as the secretary of the Nomination Committee (“Secretary”).
- 2.2. The Nomination Committee may from time to time appoint any other person with appropriate qualification and experience as the Secretary.

3. Quorum, Attendance at Meetings and Resolutions

- 3.1. The quorum necessary for the transaction of business shall be two Members. A duly convened meeting of the Nomination Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Nomination Committee.
- 3.2. Members may participate in a meeting by means of a telephone or video conference or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.
- 3.3. Resolutions of the Nomination Committee at any meetings shall be passed by a majority of votes of the Members present.
- 3.4. A resolution in writing signed by all the Members shall be as valid and effectual as if it had been passed at a meeting of the Nomination Committee duly convened and held.

4. Frequency and Conduct of Meetings

- 4.1. The Nomination Committee shall meet at least once a year or otherwise as required.
- 4.2. The Chairman shall convene a meeting upon request by any Member.
- 4.3. An agenda and accompanying papers should be sent in full to all Members in a timely manner and at least 3 days before the intended date of a meeting of the Nomination Committee (or such other period as agreed by the majority of its Members).

5. Minutes of Meetings

- 5.1. The Secretary shall keep all minutes of all the proceedings and resolutions of all meetings of the Nomination Committee, including recording of the names of those present and in attendance. Minutes of meetings of the Nomination Committee shall record in sufficient detail the matters considered by the Nomination Committee and decisions reached, including any concerns raised by each Member and participant of any meeting of the Nomination Committee or dissenting views expressed.
- 5.2. Full minutes of the Nomination Committee's meetings shall be kept by the Secretary, and which shall be available for inspection at any reasonable time on reasonable notice by any Director or Member.
- 5.3. Draft and final versions of the minutes of such meetings should be sent to all Members for their comments and records respectively, in both cases within a reasonable time after such meetings.

6. Annual General Meeting

- 6.1. The Chairman should, as far as practicable, attend the annual general meeting and make himself available to respond to any Shareholder questions on the Nomination Committee's activities. In the absence of the Chairman, another Member or failing that a duly appointed delegate of such Member should attend the annual general meeting.

7. Responsibility, Powers and Discretion

The Nomination Committee shall have the following responsibilities, powers and discretion:

- 7.1. to formulate nomination policy for the Board's consideration and implement the Board's approved nomination policy;
- 7.2. to review the structure, size and composition (including the skills, knowledge and experience) and diversity (including but not limited to gender, age, cultural and educational background, or professional experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Group's corporate strategy;

- 7.3. to identify individuals suitably qualified to become members of the Board and make recommendations to the Board on the selection of individuals nominated for directorships;
- 7.4. 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;
- 7.5. to assess the independence of independent non-executive Directors and review the independent non-executive Directors' annual confirmations on their independence; and to disclose its review results in the corporate governance report;
- 7.6. to recommend to the Board regarding the appointment or re-appointment of Directors and succession planning for Directors in particular the chairman of the Board and the chief executive (as defined in the Listing Rules) of the Group;
- 7.7. to regularly review the contributions required from a Director for purposes of performing his/her responsibilities to the Group, and whether he/she is spending sufficient time to do so;
- 7.8. to make recommendations to the Board regarding candidates to fill vacancies on the Board and/or in senior management of the Group;
- 7.9. to review the board diversity policy and also as and when appropriate review the measurable objectives that the Board has set for implementing the board diversity policy as well as the progress on achieving the objectives;
- 7.10. to consider other topics and review other documents as may be reasonably requested by the Board from time to time; and
- 7.11. to handle any such matters so as to facilitate the Nomination Committee in discharging its powers and functions conferred on it by the Board.

8. Reporting Responsibilities

- 8.1. Without prejudice to the generality of the duties of the Nomination Committee set out in these Terms, the Nomination Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.

- 8.2. The Nomination Committee shall make whatever recommendations to the Board it deems appropriate on any area within its Terms where action or improvement is needed.
- 8.3. 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:
- 8.3.1. 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;
 - 8.3.2. 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;
 - 8.3.3. the perspectives, skills and experience which the individual will bring to the Board; and
 - 8.3.4. how the individual will contribute to diversity of the Board

9. Authority

- 9.1. The Nomination Committee is authorised by the Board to obtain at the Company's expenses external independent professional advice and to secure the attendance of outsiders with relevant experience and expertise as it considers to be necessary and valuable.
- 9.2. The Nomination Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external nomination consultant who advises the Nomination Committee.
- 9.3. The Nomination Committee shall be provided with sufficient resources to discharge its duties.

10 Terms available

- 10.1 The Nomination Committee shall make available these Terms on the websites of both the Stock Exchange and the Company, thereby explaining its role and the authority delegated to it by the Board.