



## **COSCO Pacific Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1199)**

# **Terms of Reference of Nomination Committee**

## **Chapter 1 General Provisions**

- Article 1 In order to ensure the continuous, standardised and healthy development of the Company, perfect the Company's governance structure, improve its regular operations, enhance the scientificity of the decision-making of the Board and further optimise the composition and structure of the Directors and Senior Management personnel, the Company formulates these terms of reference (the "Terms of Reference") in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Bye-laws of the Company and other related regulations.
- Article 2 The Nomination Committee (the "Committee") is a body mainly responsible for giving advice on the candidates, conditions, selection standards and procedures of the proposed appointment of the Directors and the Senior Management of the Company. The Committee is responsible to the Board.
- Article 3 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.
- Article 4 The Directors as referred herein shall refer to all members of the Board of the Company, and the Senior Management shall refer to the Managing Director, the Deputy Managing Director(s), the Financial Controller and the Company Secretary and other senior management proposed by the Managing Director to the Board for approval (The members of the Senior Management must be the

same as those disclosed in the latest Annual Report of the Company).

## **Chapter 2 Composition of the Committee**

- Article 5 The Committee shall be chaired by the Chairman of the Board or an Independent Non-executive Director and comprise not less than three members, a majority of which shall be Independent Non-executive Directors.
- Article 6 Members of the Committee shall be nominated by the Chairman of the Board of the Company, more than one half of the Independent Non-executive Directors or one third of all Directors and shall be appointed by the Board through election.
- Article 7 The Chairman of the Committee shall be elected by the Committee and appointed by the Board.
- Article 8 The term of office of the members of the Committee shall be in congruence with the term of the Board and the members may be re-elected for appointment upon the expiry of the current term of office. During the term, any member ceases to hold office as a Director will automatically lose the qualification as a member and the Committee shall appoint replacement in accordance with Articles 5 to 7 above.
- Article 9 The working group subordinated to the Committee shall be responsible for delivering relevant information to the Committee, preparing meetings of the Committee and implementation of the resolutions passed by the Committee.

## **Chapter 3 Roles and Responsibilities**

- Article 10 The major roles and responsibilities of the Committee are:
- (1) To 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;
  - (2) To research on the standard and procedure of selection of Directors and the Senior Management and to put forward proposals;
  - (3) 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;
- (4) To assess the independence of Independent Non-executive Directors;
  - (5) 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 (Managing Director); and
  - (6) Other matters authorised by the Board.

Article 11 The Committee shall be responsible to the Board and the proposals of the Committee shall be submitted to the Board for consideration and approval.

Article 12 Controlling shareholders shall respect the proposal made by the Committee for nominating Directors and the Senior Management unless they have sufficient grounds or reliable evidence.

#### **Chapter 4 Rules of Procedures**

Article 13 The Committee shall hold at least two meetings each year and notify all members seven days prior to the meeting. The meeting shall be presided over by the Chairman of the Committee. In the event that the Chairman of the Committee is unable to attend the meeting, he/she shall authorise another member (Independent Non-executive Director) to preside over the meeting. A provisional meeting may be held by way of voting by correspondences or written resolutions signed by all members of the Committee.

Article 14 The agenda and meeting materials should be issued to all members three days (or another agreed date) before the meeting.

Article 15 The meeting of the Committee shall not be held unless two or more members attend the meeting. Each member shall have one vote and the resolutions made by the meeting must be approved by a majority of all members who attend the meeting.

Article 16 The voting method of the meeting of the Committee shall be voting by a show of hands or by poll.

Article 17 The Directors and the Senior Management may be invited by the Committee to attend its meeting as non-voting delegates when

necessary.

- Article 18 When the matters discussed at the meeting are related to the member(s) of the Committee, the person(s) concerned shall be refrained from voting on that matter at the meeting.
- Article 19 The convening procedure and voting method of the meeting of the Committee and the nomination proposals passed at such meetings shall comply with the stipulations of these Terms of Reference.
- Article 20 The meeting of the Committee shall have minutes. After the meeting, a draft minutes should be sent to all members of the Committee for comments within a reasonable time, and members of the Committee who had attended the meeting shall sign the final draft of the minutes of the meeting. The minutes of the meeting shall be sent to all members of the Committee and kept by the Company Secretary of the Company.
- Article 21 Resolutions passed by and voting results of the meeting of the Committee shall be reported to the Board in writing.
- Article 22 All members of the Committee attending the meeting shall have the obligation for keeping the discussed matters confidential and shall not disclose the relevant information.

## **Chapter 5 Supplementary Provisions**

- Article 23 These Terms of Reference came into force on 1st January 2005, the date when the Board approved the Terms of Reference and were amended by the Directors on 25th February 2009 and 27th March 2012. The Committee should make available these Terms of Reference, explaining its role and the authority delegated to it by the Board by including them on the websites of The Stock Exchange of Hong Kong Limited and the Company.
- Article 24 For the matters which are not covered by these Terms of Reference, they shall be executed in accordance with the relevant laws of the Government of the Hong Kong Special Administrative Region, the Listing Rules and the Bye-laws of the Company. In the event that these Terms of Reference contravene the laws promulgated by the Government of the Hong Kong Special Administrative Region, the Listing Rules or the Bye-laws amended through lawful procedures, the relevant laws of the Government of the Hong Kong Special

Administrative Region, the Listing Rules and the Bye-laws of the Company shall prevail, and these Terms of Reference shall be amended immediately and the amended Terms of Reference shall be reported to the Board for consideration and approval.

Article 25 The Board shall be vested with final interpretation power of these Terms of Reference.

Article 26 In the event of any inconsistency, the English language text of these Terms of Reference shall prevail over the Chinese language text.