



Techtronic Industries

TECHTRONIC INDUSTRIES CO. LTD.

TERMS OF REFERENCE

NOMINATION COMMITTEE

(Update on 6 March 2019)

TECHTRONIC INDUSTRIES CO. LTD.

The Stock Exchange of Hong Kong Limited
Ordinary Shares (code:669)

ADR Level 1 Programme (code: TTNDY)

Techtronic Industries Co. Ltd.
(the “Company”)
Terms of Reference for Nomination Committee

Constitution

The board of directors (the “Board”) of the Company has established a standing committee of the Board known as the Nomination Committee.

Members

Mr. Horst Julius Pudwill (Chairman of the Nomination Committee)

Mr. Christopher Patrick Langley

Mr. Manfred Kuhlmann

Mr. Vincent Ting Kau Cheung

Mr. Johannes-Gerhard Hesse

Objectives

The Nomination Committee has been established to ensure a fair and transparent process of Board appointments, in particular to assist the Board to identify suitable candidates and make recommendations for consideration of the Board and shareholders.

Membership

The Nomination Committee and its chairman shall be appointed by the Board and can be removed by the Board at its sole discretion.

The chairman of Nomination Committee must be the chairman of the Board or an independent non-executive director and the majority of its members (the "Members" and a “Member” refers to any one of them) shall be independent non-executive directors.

The Board shall from time to time vary the composition of the Nomination Committee as may be required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) (as modified from time to time) or the rules of any other stock exchange in respect of which the shares of the Company are listed or quoted, or other codes, rules and regulations as may be prescribed by the Hong Kong Securities and Futures Commission or any other applicable regulatory authority from time to time (the “Applicable Laws”).

The term of office of a Member will generally not be set beforehand. It will, *inter alia*, depend on the composition of the Board as a whole and that of other committees from time to time.

The company secretary of the Company (the “Company Secretary”) shall be the secretary of the Nomination Committee. The Company Secretary may delegate his duties, or parts thereof, under these Terms of Reference, to a deputy appointed by him in consultation with the chairman of the Nomination Committee.

Authority

The Nomination Committee shall report directly to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).

The Nomination Committee shall be provided with sufficient resources to discharge its duties. Where necessary, the Nomination Committee shall seek independent professional advice, at the Company’s expense, to perform its responsibilities.

The Nomination Committee may delegate its authority to subcommittees or the chairman of the Nomination Committee when it deems appropriate and in the best interests of the Company.

Reporting Procedures

The Nomination Committee shall report to the Board concerning its activities, decisions or recommendations, either orally or in writing on a regular basis, in particular at the first meeting of the Board following the meeting of the Nomination Committee.

Nomination Committee Meetings

Frequency Meetings of the Nomination Committee are in principle called by the Chairman of the Nomination Committee. The Nomination Committee shall meet with such frequency as required to discharge its duties and it is expected that it shall meet at least twice a year. In particular, the Nomination Committee shall meet before the holding of a general meeting or Board meeting where appointment of directors will be considered.

Notice Notice of any meetings of the Nomination Committee has to be given at least 14 days prior to any such meeting being held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a Member shall be deemed waiver of the requisite length of notice by the Member. Notice of any adjourned meeting is not required if the adjournment is less than 14 days.

Quorum The quorum for meetings of the Nomination Committee should be two members, one of whom should be an independent non-executive director.

Attendance Only Members are entitled to attend the meetings of the Nomination Committee. However, the Nomination Committee may invite the following persons to attend the meetings of the Nomination Committee, without the authority to vote, if it considers appropriate:

- Company Secretary;
- Legal Counsel; and
- Any other officer or director of the Company.

Resolutions

Resolutions of the Nomination Committee shall be passed by a majority of votes, which can also be passed by way of unanimous written resolutions. Meetings can be held in person, by telephone or by video conference.

Minutes

The secretary of the Nomination Committee should keep full minutes of all Nomination Committee meetings. Draft and final versions of minutes of meetings of the Nomination Committee should be sent to all Members for their comment and records respectively, in both cases within a reasonable time after the meeting.

Minutes of all Nomination Committee meetings will also be sent to other members of the Board at the same time when they are sent to Members.

Duties

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

- 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;
- to formulate a policy of selection and nomination of directors and the procedures for the sourcing of suitably qualified directors for consideration of the Board and implement such a policy and procedures once approved;
- to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorship;

- to ensure sufficient biographical details of nominated candidates are provided to the Board and shareholders to enable them to make a decision regarding selection of the Board members;
- to assess the independence of independent non-executive directors;
- to make recommendations to the Board on the appointment or re-appointment of both executive and non-executive directors (including re-election by shareholders of directors by rotation) and succession planning for directors in particular the chairman and the chief executive officer;
- to do any such things to enable the Nomination Committee to discharge its duties conferred on it by the Board from time to time; and
- to conform to and abide by any requirement, direction and regulation that may be prescribed by the Board or contained in the constitutional documents of the Company or imposed by the Listing Rules or the Applicable Laws.

Publication of these Terms of Reference

These Terms of Reference will be posted on the website of both The Stock Exchange of Hong Kong Limited and the Company.