



YING KEE TEA HOUSE GROUP LIMITED

英記茶莊集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 8241)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE (the “Committee”)

(Adopted on 14 March 2018 and amended with effect from 19 February 2019)

1. CONSTITUTION

The Committee is established pursuant to a resolution passed by the board of directors of the Company (the “**Board**”) on 14 March 2018.

The terms of reference of the Committee may be amended from time to time by the Board pursuant to the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

2. MEMBERSHIP

2.1 Members of the Committee (the “**Members**”) shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members, a majority of whom shall be independent non-executive directors. No Member may appoint any alternate.

2.2 The Chairman of the Committee shall be appointed by the Board and shall be the Chairman of the Board or an independent non-executive director.

2.3 When any person ceases to be a director of the Company, his/her appointment as a Member will be automatically terminated on the same date.

3. SECRETARY

The Company Secretary shall be the Secretary of the Committee. The Committee may from time to time appoint any other person with appropriate qualification and experience as the Secretary of the Committee.

4. AUTHORITY OF THE COMMITTEE

4.1 The Committee is authorized to seek independent professional advice at the expense of the Company on any matters within this terms of reference as it considers necessary and to secure the attendance of outsiders with relevant experience and expertise at its meetings, if it considers this necessary. Such arrangement should be made through the Company Secretary.

4.2 The Committee should be provided with sufficient resources to discharge its duties.

5. DUTIES

The duties of the Committee shall be:

- (a) to review the structure, size, composition and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, the skills, knowledge and length of service) 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; in identifying suitable individuals, the Committee shall consider individuals on merit and against the objective criteria, with due regard for the benefits of diversity on the Board;
- (c) to assess the independence of independent non-executive directors; and
- (d) taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity required in the future, 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.
- (e) review the Company's nomination policy and board diversity policy on a regular basis, and make recommendations to the Board for consideration and approval as appropriate; and
- (f) monitor the implementation of the Company's nomination policy and board diversity policy and report in the Corporate Governance Report annually.

6. COMMITTEE MEETING

6.1 Notice

- (a) Unless otherwise agreed or waived by all the Members, a meeting shall be called by at least seven days' 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 meetings is not required if adjournment is for less than fourteen days.
- (b) Notice of meeting shall state the purpose, time and place of the meeting. In respect of regular meetings of the Committee to be held as mentioned in clause 6.3 below, and so far as practicable in all other meetings of the Committee, the agenda and accompanying papers shall be sent in full to all the Members in a timely manner and at least three days before the intended date of the meeting of the Committee (or such other period as all the Members may agree).

6.2 Quorum

The quorum of the Committee meeting shall be two Members.

6.3 Frequency

The Committee shall meet as and when necessary and at least once a year. A Member may at any time and, on the request of a Member, the Secretary of the Committee shall, summon a Committee meeting.

6.4 Meetings

- (a) Meetings may be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.
- (b) At the invitation of the Committee, the Chairman of the Board, external advisors and other persons may attend all or part of any meetings.
- (c) Only Members are entitled to vote at the meetings.
- (d) Resolutions of the Committee at any meetings shall be passed by a majority of votes of the Members present.
- (e) A resolution in writing signed by all Members shall be as valid and effectual as if it has been passed at a meeting of the Committee duly convened and held.
- (f) Full minutes of the meetings of the Committee and all written resolutions of the Committee shall be kept by the Secretary of the Committee.
- (g) The Secretary of the Committee shall circulate the draft and final versions of minutes of each meeting of the Committee to all Members for their comments and records respectively within a reasonable time after the meeting.
- (h) If the Company Secretary may not participate in the meeting, the Company Secretary may appoint his/her representative or the Committee may appoint any other person with appropriate professional qualification and experience as the secretary of the Committee.

7. NOMINATION POLICY AND PROCEDURE

To ensure changes to the Board composition can be managed without undue disruption, there should be a formal, considered and transparent procedure for selection, appointment and re-appointment of directors, as well as plans in place for orderly succession (if considered necessary), including periodical review of such plans. The appointment of a new director (to be an additional

director or fill a casual vacancy as and when it arises) or any re-appointment of directors is a matter for decision by the Board upon the recommendation of the proposed candidate by the Committee.

The criteria to be applied in considering whether a candidate is qualified shall be his or her ability to devote sufficient time and attention to the affairs of the Company and contribute to the diversity of the Board as well as the effective carrying out by the Board of the responsibilities which, in particular, are set out as follows:

- (a) participating in Board meetings to bring an independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
- (b) taking the lead where potential conflicts of interests arise;
- (c) serving on the audit committee, the remuneration committee and the Committee (in the case of candidate for non-executive director) and other relevant Board committees, if invited;
- (d) bringing a range of business and financial experience to the Board, giving the Board and any Board committee on which he or she serves the benefit of his or her skills, expertise, and varied backgrounds and qualifications and diversity through attendance and participation in the Board/Board committee meetings;
- (e) scrutinizing the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;
- (f) ensuring the Board committees on which he or she serves to perform their powers and functions conferred on them by the Board; and
- (g) confirming to any requirements, direction and regulation that may from time to time be prescribed by the Board or contained in the constitutional documents of the Company or imposed by legislation or the GEM Listing Rules, where appropriate.

If the candidate is proposed to be appointed as an independent non-executive director, his or her independence shall be assessed in accordance with, among other things, the factors as set out in Rule 5.09 of the GEM Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time. Where applicable, the totality of the candidate's education, qualifications and experience shall also be evaluated to consider whether he or she has the appropriate professional qualifications or accounting or related financial management expertise for filling the office of an independent non-executive director with such qualifications or expertise as required under Rule 5.05(2) of the GEM Listing Rules.

8. REPORTING

The Committee shall report to the Board after each meeting.

9. ANNUAL GENERAL MEETING

The Chairman of the Committee or in his/her absence, another Member, shall attend the Annual General Meeting of the Company and be prepared to respond to shareholders' questions on the Committee's activities and responsibilities.

Note: This document has been translated into Chinese. In case of any discrepancies between the English and Chinese versions, the English version shall prevail.