



**O-NET TECHNOLOGIES (GROUP) LIMITED**  
**昂納科技（集團）有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 877)**

## **NOMINATION COMMITTEE**

### **Terms of Reference**

Approved by the Board on 9<sup>th</sup> April 2010 and revised on 30<sup>th</sup> March 2012, 27<sup>th</sup> August 2013 and 19<sup>th</sup> March 2019

#### **I. Charter**

The board of directors (the “**Board**”) of O-Net Technologies (Group) Limited (the “**Company**”) has resolved to establish a committee to be known as the Nomination Committee (the “**Committee**”) on 9<sup>th</sup> April 2010 with the terms of reference set out below.

#### **II. Composition of the Committee**

- A. The Committee shall be appointed by the Board which shall consist of not less than 3 members and that a majority should be independent non-executive directors.
- B. Appointments to the Committee shall be for a period of up to three years, which may be extended by the Board.

#### **III. The Committee Chairman**

- A. The Board shall appoint the chairman of the Committee (the “**Committee Chairman**”) and determine the period for which he will hold that office. The Committee Chairman shall be the Chairman of the Board or an independent non-executive director.
- B. The Committee Chairman shall attend the annual general meeting of the Company so as to be available to answer questions from the shareholders of the Company on matters within the scope of duties of the Committee.

#### **IV. The Secretary**

The company secretary of the Company, or his/her nominee, shall act as the secretary of the Committee (the “**Secretary**”).

#### **V. Proceedings**

Unless varied by these terms of reference, meetings and proceedings of the Committee shall be governed by the Company's articles of association regulating the meetings and proceedings of the directors of the Company.

## **VI. Quorum**

The quorum for decisions of the Committee shall be any two members. A duly convened meeting of the Committee which is quorate shall have the power to exercise all or any of the powers, authorities or discretions vested in or exercisable by the Committee.

## **VII. Attendance at Meetings**

- A. Only members of the Committee (including the Secretary) have the right to attend Committee meetings. However, other individuals such as the Chairman, the chief executive and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- B. Formal meetings of the Committee may be held by telephone or other communication equipment which allows those participating to hear and speak to each other, and the quorum in that event shall be any two Committee members so linked.
- C. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

## **VIII. Frequency of Meetings**

Meetings of the Committee shall be held as and when appropriate, but at least once a year, held to coincide with key dates within the financial reporting and audit cycle. The Committee Chairman or any other member may convene a meeting of the Committee whenever he or she considers it necessary or desirable.

## **IX. Notices of Meetings**

- A. Meetings of the Committee shall be summoned by the Secretary at the request of any of its members.
- B. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than 7 business days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

## **X. Minutes of Meetings**

- A. The Secretary shall record the proceedings and resolutions of the Committee.
- B. The Secretary shall circulate copies of the minutes of meetings of the Committee to all members of the Committee as soon as practicable, and to all members of the Board unless a conflict of interest exists.

## **XI. Duties**

The duties of the Committee shall be to:

- A. review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, 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. 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 candidates, the Committee shall consider candidates on merit and against the object criteria, with due regard for the benefits of diversity on the Board;
- C. assess the independence of independent non-executive directors, having regards to the requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
- D. review the Board Diversity Policy, 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 disclosure of its review results in the Corporate Governance Report annually; and
- E. make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman of the Board and the chief executive of the Company, taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future, together with the Board, as appropriate.

## **XII. Nomination Policy 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, and 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 Committees 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/Committee meetings;
- (e) scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;
- (f) ensuring the Committees on which he or she serves to perform their powers and functions conferred on them by the Board; and
- (g) conforming to any requirement, 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 Listing Rules, where appropriate.

If the candidate is proposed to be appointed as an independent non-executive Director (“INED”), his or her independence shall be assessed in accordance with, among other things, the factors as set out in Rule 3.13 of the 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 INED with such qualifications or expertise as required under Rule 3.10(2) of the Listing Rules.

### **XIII. Reporting Responsibilities**

- A. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- B. The Committee shall make whatever recommendations to the Board that it deems appropriate on any area within its scope of duties where action or improvement is needed.

### **XIV. Authority**

The Board authorises the Committee to:

- A. investigate any matter within its terms of reference and seek any information it requires from any employee (all employees being directed to co-operate with any such request by the Committee); and
- B. obtain outside legal or other independent professional advice at the cost of the Company, if it considers necessary.

## **XV. Other**

The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.