

# **CAPITAL ENVIRONMENT HOLDINGS LIMITED**

(Incorporated in the Cayman Islands with limited liability)  
("Company")

## **TERMS OF REFERENCE OF NOMINATION COMMITTEE ("Nomination Committee")**

### **1. Constitution**

The Nomination Committee was established by the board of directors of the Company (the "Board") with terms of reference on 15 June 2006;

### **2. Membership**

- (a) The members of the Nomination Committee shall be appointed by the Board from time to time.
- (b) The Nomination Committee shall consist of not less than three members, and the majority of which should be the independent non-executive directors of the Company.
- (c) The company secretary of the Company or a nominee shall act as the secretary of the Nomination Committee.

### **3. Frequency and proceeding of meetings**

- (a) Meeting of the Nomination Committee shall be held not less than once a year.
- (b) A quorum of a meeting shall be two members of the Nomination Committee.

### **4. Authority**

- (a) The Nomination Committee shall be provided with sufficient resources to perform its duties. Where necessary, the Nomination Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.
- (b) The Nomination Committee is authorized to perform any activities within its terms of reference.

### **5. Duties and functions**

The Nomination Committee should discharge the following duties:-

- (a) 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;
- (b) identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (c) assess the followings when making recommendations to the Board for election of an individual as an independent non-executive director:
  - the independence of independent non-executive directors;
  - if the proposed independent non-executive director will be holding their seventh (or more) listed company directorship, the individual would still be able to devote sufficient time to discharge director's duties;
  - the perspectives, skills and experience that the individual can bring to the Board; and
  - how the individual contributes to the diversity of the Board.
- (d) 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; and
- (e) to review board diversity policy and recommend to the Board on any revisions to it, as appropriate, to ensure its effectiveness.

## **6. Reporting procedures**

At the meeting held by the Board following a meeting of the Nomination Committee, the chairman of Nomination Committee shall report its findings and recommendations to the Board. The secretary of the Nomination Committee shall circulate the minutes of the meetings of the Nomination Committee to all members of the Board.

*Revised on 21 March 2019*