



## **DIRECTEL HOLDINGS LIMITED**

### **直通電訊控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8337)**

(the "Company")

#### TERMS OF REFERENCE OF THE NOMINATION COMMITTEE (the "Committee")

#### **1. Membership**

- 1.1 The Committee shall consist of not less than three members appointed by the board (the "Board") of directors (the "Directors") of the Company, with the majority being independent non-executive Directors.
- 1.2 The Chairman of the Committee shall be appointed by the Board and must be the chairman of the Board or an independent non-executive Director.
- 1.3 The Company Secretary of the Company shall be the secretary of the Committee.
- 1.4 The Committee may from time to time appoint any other person with appropriate qualification and experience to act as the secretary of the Committee.

#### **2. Frequency and proceedings of meetings**

- 2.1 The Committee shall meet at least annually. Additional meetings should be held as and when the work of the Committee demands.
- 2.2 The Chairman of the Committee may convene additional meetings at his discretion.
- 2.3 The quorum of a meeting shall be two members of the Committee.
- 2.4 Proceedings of meetings of the Committee shall be governed by the relevant provisions of the articles of association of the Company (as amended from time to time) or such proceedings of meetings as adopted by the Company from time to time.

#### **3. Attendance of meetings**

- 3.1 At the invitation by the Committee, the chairman of the Board and/or the chief executive, external consultant and other persons may attend all or part of any meetings.
- 3.2 Only the Committee members are entitled to vote at the meetings.

#### **4. Annual general meetings**

- 4.1 The Chairman of the Committee shall attend the annual general meetings of the Company and be prepared to respond to any shareholder questions on the Committee's activities and responsibilities. If the Chairman of the Committee is unable to attend, a member of the Committee (who must be an independent non-executive Director) shall attend the annual general meeting of the Company. Such person shall be prepared to respond to any shareholder questions on the Committee's activities and responsibilities.

## 5. **Duties, powers and functions**

### 5.1 The Committee shall:

- (a) formulate nomination policy for the Board's consideration and implement the Board's approved nomination policy; and
- (b) without prejudice to the generality of the foregoing:
  - (i) 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;
  - (ii) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
  - (iii) assess the independence of independent non-executive Directors;
  - (iv) 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;
  - (v) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
  - (vi) conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the articles of association of the Company or imposed by law.

## 6. **Reporting Procedures**

- 6.1 Full minutes of the meetings of the Committee shall be kept by the secretary of the Committee, who shall send draft and final versions of minutes of meetings and all written resolutions of the Committee to all Committee members for their comments and records within a reasonable time after the meeting.
- 6.2 The Committee should report to the Board on a regular basis on its decisions or recommendations.
- 6.3 At the next meeting of the Board following a meeting of the Committee, the Chairman of the Committee shall report to the Board on the findings and recommendations of the Committee.

## 7. **Authority**

- 7.1 The Committee shall have the right to request the management of the Company to furnish any information it requires to perform its duties.
- 7.2 The Committee should have access to independent professional advice, at the expense of the Company, to fulfill its responsibilities.

*Note: Arrangement to seek independent professional advice may be made through the company secretary.*

- 7.3 The Committee shall be provided with sufficient resources to enable it to perform its duties.