



Power Financial Group Limited
權威金融集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 397)

(the “Company”)

TERMS OF REFERENCE FOR NOMINATION COMMITTEE

1. Objective

The nomination committee (the “**Committee**”) is responsible for making recommendations to the board of directors of the Company (the “**Board**”) on appointment of directors of the Company (the “**Directors**”), so as to ensure that all nominations are fair and transparent.

2. Composition

2.1 The members of the Committee shall be appointed by the Board and shall comprise a minimum of three members. The majority of the members of the Committee must be independent non-executive Directors.

2.2 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.

2.3 The company secretary of the Company shall act as the secretary of the Committee who must ensure that full minutes of all meetings are kept.

3. Meetings

3.1 The meetings and proceedings of the Committee shall be governed by the provisions contained in the Company’s bye-laws for regulating the meetings and proceedings of Directors.

3.2 The Committee shall meet at least once a year and at such other times as and when necessary or as requested by any Committee member. The quorum for the meetings shall be any two members of the Committee.

3.3 The Committee may invite any appropriate persons to attend meetings of the Committee as it considers appropriate.

4. Authority

- 4.1 The Committee is authorised by the Board to investigate any activity within its duties and responsibilities outlined in these terms of reference.
- 4.2 The Committee is authorised to seek, at the Company's expense, independent professional advice to perform its duties and responsibilities if it considers necessary.

5. Duties and Responsibilities

The duties and responsibilities of the Committee are as follows:

- (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 based on merit against objective criteria and with due regard for the benefits of diversity on the Board;
- (c) assess the independence of independent non-executive Directors;
- (d) review the implementation and effectiveness of the policy for the diversity of the Board ("**Board Diversity Policy**") on an annual basis, 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;
- (e) develop and review, as appropriate, the policy for the nomination of Directors ("**Nomination Policy**"). The Nomination Policy shall set out, inter alia, the nomination procedures and process and criteria to select and recommend candidates for directorship;
- (f) 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(s) of the Company, taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future; and
- (g) make relevant disclosures in the corporate governance report in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

6. Reporting

The Committee shall report back to the Board on its decisions and progress on a regular basis as to be determined by the Committee and approved by the Board and shall provide to the Board all the information necessary to enable the Company to prepare the corporate governance report to be included in its annual report.