



# CAFÉ DE CORAL HOLDINGS LIMITED

## 大家樂集團有限公司

*(Incorporated in Bermuda with limited liability)*

Website: <http://www.cafedecoral.com>

(Stock Code: 341)

### Nomination Committee

### Revised Terms of Reference

*(Approved by the Board on 29 November 2013)*

#### **1. Constitution**

- 1.1 The Board had, in the past, resolved to establish a Committee of the Board known as the Nomination Committee.

#### **2. Membership**

- 2.1 The Nomination Committee shall be appointed by the Board and shall consist of not less than two members and comprise a majority of independent non-executive Directors of the Company.

#### **3. Chairman**

- 3.1 The Board shall appoint the chairman of the Nomination Committee. The chairman must be an independent non-executive Director of the Company. The chairman has the responsibility of liaising with the Board.
- 3.2 The chairman shall chair the meetings of the Nomination Committee.
- 3.3 In the absence of the chairman of the Nomination Committee, the remaining members present shall elect one of themselves to chair the meetings of the Nomination Committee.

#### **4. Authority**

- 4.1 The Nomination Committee is authorized by the Board to take actions and act as necessary in pertaining its duties.

## **5. Duties**

The duties of the Nomination Committee shall be:

- 5.1 to review the structure, size and composition (including the skills, knowledge and experience) of the Board with due regard for the benefits of diversity of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- 5.2 to develop guiding principles for selection of individual(s) nominated for directorship of the Company;
- 5.3 to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individual(s) nominated for directorship (such individuals should be approached until it is agreed at the Board level);
- 5.4 to assess the independence of independent non-executive Directors and where the Board proposes a resolution to elect an individual as an independent non-executive Director at a general meeting, to set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why the Nomination Committee believes such person should be elected and the reasons why the Nomination Committee considers such person to be independent;
- 5.5 to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors in particular the Chairman and Chief Executive;
- 5.6 to conduct a regular evaluation of the performance of the Board;
- 5.7 to review the Board Diversity Policy adopted by the Board on a regular basis; make recommendations to the Board on measurable objectives for achieving diversity of the Board as appropriate and monitor the progress on achieving the objectives; and
- 5.8 to consider other topics, as defined by the Board.

## **6. Quorum and voting of meetings**

- 6.1 The quorum necessary for the transaction of business shall be two members. If only two members are in attendance, then both members shall be independent non-executive Directors. If more than two members are in attendance, then a majority of the members shall be independent non-executive Directors.
- 6.2 Questions arising in any meetings shall be decided by a simple majority of votes.

## **7. Attendance at meetings**

- 7.1 The Nomination Committee members may attend meetings of the Nomination Committee either in person or through other electronic means of communication (if made available by the Company). Should any member of the Nomination Committee wish to attend a meeting through electronic communications, prior arrangements shall be made with the secretary of the Nomination Committee.
- 7.2 Senior management of the Company and such other person(s), if deemed appropriate and invited by the Nomination Committee, shall be in attendance.
- 7.3 The Company Secretary shall be the secretary of the Nomination Committee.

## **8. Frequency of meetings**

- 8.1 At least one meeting will be held each year and any ad hoc meetings shall be convened as and when necessary.

## **9. Notice of meetings**

- 9.1 Meetings of the Nomination Committee shall be convened by the secretary of the Nomination Committee at the request of any of its members.
- 9.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be sent to each member of the Nomination Committee, and to any other person required to attend:
  - 9.2.1 in relation to all regular meetings of the Nomination Committee, at least 14 days before the date of the meeting; and
  - 9.2.2 in relation to all other meetings of the Nomination Committee, within a reasonable time prior to the date of the meeting.
- 9.3 An agenda of items to be discussed, together with discussion papers, shall be sent to the Nomination Committee members and to other attendees at least 3 days prior to the date of the meeting.
- 9.4 Any member of the Nomination Committee shall be entitled, by notice to the secretary of the Nomination Committee, to include other matters relevant to the functions of the Nomination Committee in the agenda of regular Nomination Committee meetings.

## **10. Minutes of meetings**

- 10.1 The secretary of the Nomination Committee (or his/her delegate) in attendance at the meetings of the Nomination Committee shall prepare minutes in sufficient detail of the proceedings and resolutions of all such meetings, including the names of those present and in attendance, matters considered, decision reached and/or recommendations made by the members of the Nomination Committee during the meetings. The minutes should also include any concerns raised by any member of the Nomination Committee and/or dissenting views expressed.
- 10.2 The secretary of the Nomination Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The relevant member of the Nomination Committee shall not be counted towards the quorum and he/she must abstain from voting on any resolution of the Nomination Committee in which he/she and/or his/her associates have a material interest.
- 10.3 Draft and final versions of minutes of the Nomination Committee meetings shall be sent to all Nomination Committee members for their comments and records respectively, within a reasonable time after the meeting and before the next meeting.
- 10.4 Minutes of the Nomination Committee meetings shall be kept by the secretary of the Nomination Committee and shall be available for inspection by any member of the Nomination Committee and/or any Director of the Company at any reasonable time on reasonable notice.

## **11. Annual general meetings**

- 11.1 The chairman of the Nomination Committee shall endeavour to attend the annual general meetings of the Company and be prepared to respond to any shareholder questions on the Nomination Committee's activities.
- 11.2 If the chairman of the Nomination Committee is unable to attend an annual general meeting of the Company, he shall arrange for another member of the Nomination Committee, or failing this, his duly appointed delegate, to attend in his place. Such person shall be prepared to respond to any shareholder questions on the Nomination Committee's activities.

## **12. Reporting responsibilities**

- 12.1 After each meeting, the chairman of the Nomination Committee shall report formally to the Board on all matters within its duties and responsibilities.
- 12.2 The Nomination Committee shall make whatever recommendations it deems appropriate to the Board on any area within its remit where action or improvement is needed.
- 12.3 The Nomination Committee shall, with the assistance of the secretary of the Nomination Committee, compile a report to shareholders on its role and activities to be included in the Company's Corporate Governance Report.

### **13. Other**

- 13.1 The Nomination Committee shall have access to sufficient resources in order to perform its duties. In the event that the Nomination Committee determines that it has insufficient resources, it may make a request for additional resources to the Board through the Company Secretary.
- 13.2 All members of the Nomination Committee shall have access to the advice and services of the secretary of the Nomination Committee with a view to ensuring that procedures of the Nomination Committee and all applicable laws, rules and regulations are followed.
- 13.3 Any member of the Nomination Committee may require access to outside legal or other independent professional advice in connection with his/her duties at the Company's expense.
- 13.4 Every member of the Nomination Committee shall give sufficient time and attention to his/her duties as a member of the Nomination Committee. He/she shall give the Company the benefit of his skills and expertise through regular attendance and active participation.
- 13.5 The Nomination Committee should make available its terms of reference explaining its role and authority on the websites of the Company and The Stock Exchange of Hong Kong Limited.