

PineStone 鼎石

Pinestone Capital Limited

鼎石資本有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 804)

(the “Company”)

Terms of reference

of

Nomination Committee

(the “Committee”)

(First adopted on 11 June 2015; as revised and approved by the board of directors of the Company on 27 May 2019)

Membership

1. The Committee shall consist of at least three directors of the Company with a majority of independent non-executive directors (the “INED”) appointed by the board of directors (the “Board”) from time to time.
2. The Board shall appoint one of the members as the Chairman of the Committee who shall be either the chairman of the Board or an independent non-executive director.
3. The company secretary of the Company or a nominee shall be the Secretary of the Committee.

Frequency and proceedings of meeting

4. The Committee should meet at least once per year. Additional meetings shall be held as the work of the Committee demands.
5. The Chairman of the Committee may convene additional meetings at his discretion.
6. The quorum of the Committee meeting shall be two members of the Committee.
7. Proceedings of meetings of the Committee shall be governed by the provisions of the Articles of Association of the Company in relation to meetings and proceedings of the Board so far as the same are applicable.

Duties, powers and functions

8. The Committee is authorized by the Board to:
 - (a) perform its duties within the scope of these terms of reference and seek any necessary information from the Company, and shall be provided with sufficient resources to do so, including where necessary the ability to seek professional advice, at the Company's expense, to perform its responsibilities;
 - (b) make full use of intermediary agencies for identifying qualified director candidates at the Company's expenses; and

9. The Committee shall:
 - (a) review and monitor the structure, size, composition and diversity (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 board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
 - (c) assess the independence of independent non-executive directors and review the annual confirmations on their independence; and make disclosure of its review results in the Corporate Governance Report of the Company's Annual Reports;
 - (d) make recommendations to the Board on matters relating to the appointment or re-appointment of directors and succession planning for directors, in particular the Chairman and the Chief Executive Officer of the Company;
 - (e) regularly report back to the Board on decisions or recommendations made, unless there are legal or regulatory restrictions to do so;
 - (f) ensure the Chairman of the Committee, or in his absence another member of the Committee or failing this his duly appointed delegate, will attend and be available to answer questions at the annual general meeting of the Company;
 - (g) the Committee should make available its terms of reference explaining its role and the authority delegated to it by the Board by including them on the Exchange's website and the Company's website;

- (h) where the Board proposes a resolution to elect an individual as an independent non-executive Director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:
 - (1) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;
 - (2) if the proposed INED will be holding their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;
 - (3) the perspectives, skills and experience that the individual can bring to the Board; and
 - (4) how the individual contributes to diversity of the Board;
- (i) consider other topics and review other documents as requested by the Board from time to time.

10. NOMINATION POLICY AND 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 reappointment of directors including INED, 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, 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 Board committee 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/Board committee meetings;
- (e) scrutinizing the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;
- (f) ensuring the Board committees on which he or she serves to perform their powers and functions conferred on them by the Board; and
- (g) conforming to any requirements, 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.

Annual General Meeting

11. The Chairman of the Committee or in his/her absence, another Member, shall attend the Annual General Meeting of the Company and be prepared to respond to shareholders' questions on the Committee's activities and responsibilities.

Reporting Procedures

12. The Secretary of the Committee shall keep full minutes of Committee meetings, and circulate draft and final versions of the minutes of the Committee meetings, reports of the Committee and relevant information to all Committee members and directors of the Company for their comment and records within a reasonable time after the meeting.