



SYNERTONE COMMUNICATION CORPORATION

協同通信集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1613)

Terms of Reference of the Nomination Committee

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**(Adopted and passed on 22 March 2012 and revised by the Board on 30 November 2016
and 28 March 2019)**

Definition

“Company”	means Synertone Communication Corporation
“Group”	means the Company and its subsidiaries
“Board”	means the board of Directors
“Nomination Committee”	means the Nomination Committee of the Board
“Director(s)”	means the director(s) of the Company
“Independent Non-Executive Directors”	means the independent non-executive Directors as defined in the Listing Rules
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“Senior Management”	means the staff members regarded as senior management under the Listing Rules

Purpose of the Nomination Committee

The purpose of the Nomination Committee is to conduct nomination and appointment of Board numbers and increase efficiency of the Board.

Constitution

1. The members of the Nomination Committee shall be appointed by the Board and shall consist of not less than three Directors, a majority of whom should be Independent Non-Executive Directors.
2. The chairman of the Nomination Committee shall be appointed by the Board and shall be an Independent Non-Executive Director. In the case of equality of votes, the chairman of the Nomination Committee shall have a second or casting vote.
3. The secretary of the Nomination Committee shall be the company secretary of the Company. The secretary of the Nomination Committee shall, as far as practicable, attend all meetings of the Nomination Committee.

Declaration of Interest

4. Each member in the Nomination Committee shall declare to the Nomination Committee any of his/her personal financial interest in connection with any matter to be resolved by the Nomination Committee and any potential conflict of interest in connection with such matter. Any member with such interest or relates to such potential conflict of interest shall be abstained from voting in the Nomination Committee's resolution and discussion in respect of the related matters. The interested member shall resign if requested by the Board.

Meeting Proceedings

5. The Nomination Committee shall meet at least once a year (or in accordance with the regulations of regulatory authorities applicable to the Company from time to time) at the time as required to discharge its duties. The meeting shall be convened and chaired by the chairman of the Nomination Committee. At least seven days' prior notice must be given to all members of the Nomination Committee before meeting (unless otherwise agreed by all members of the Nomination Committee) providing information of the proposed meeting (including but not limited to the purpose, time, place, date, agenda of the meeting and the relevant documents).
6. The quorum of the meeting shall be two members and one of whom shall be an Independent Non-Executive Director. They may attend meetings in person or through telephone conference or other communication facilities by means of which all attendees of the meeting are capable of hearing each other.
7. The Nomination Committee may invite other Directors, outsiders with relevant experience and professional expertise, consultants or Senior Management to attend the meeting if it considers necessary for the discussion in the meeting. The engagement of professionals shall be at the reasonable expense of the Company.
8. Resolutions of the Nomination Committee shall be passed by a simple majority of votes.

9. The Nomination Committee shall report to the Board after each meeting.
10. At all times the chairman of the Board shall be notified in advance of all meetings of the Nomination Committee and may be in attendance thereat, provided that he shall not be in attendance when his own remuneration package or benefits are being discussed.

Authority and Duties

11. The Nomination Committee is authorized by the Board to:
 - (i) review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experiences, 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;
 - (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. In identifying suitable candidates, the Nomination Committee shall consider candidates on merit and against the object criteria, with due regard for the benefits of diversity on the Board;
 - (iii) assess the independence of the Independent Non-Executive Directors;
 - (iv) review the Board Diversity Policy, as appropriate; and to review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and to make disclosure of its review results in the Corporate Governance Report annually;
 - (v) 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 officer of the Company;
 - (vi) perform any other duties as the Board considers necessary;
 - (vii) obtain information it requires from any employee of the Company to perform its duties; and
 - (viii) obtain independent legal or other professional advice on any matters within these terms of reference at the Company's expenses.

Nomination Policy and Procedure

12. 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 re-appointment of Directors, 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 Nomination Committee.

13. 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:-
 - (i) participating in Board meetings to bring an independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
 - (ii) taking the lead where potential conflicts of interests arise;
 - (iii) serving on the audit committee, the remuneration committee and the Nomination Committee (in the case of candidate for non-executive Director) and other relevant Board committees, if invited;
 - (iv) bringing a range of business and financial experience to the Board, giving the Board and any 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/committee meetings;
 - (v) scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;
 - (vi) ensuring the committees on which he or she serves to perform their powers and functions conferred on them by the Board; and
 - (vii) conforming to any requirement, 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.

14. If the candidate is proposed to be appointed as an independent non-executive Director, his or her independence shall be assessed in accordance with, among other things, the factors as set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time. Where applicable, the totality of the candidate's education, qualifications and experience shall also be evaluated to consider whether he or she has the appropriate professional qualifications or accounting or related financial management expertise for filling the office of an independent non-executive Director with such qualifications or expertise as required under Rule 3.10(2) of the Listing Rules.

Other Matters

15. The Nomination Committee should provide the Board relevant information which is essential to assist the Board to report to the shareholders of the Company in accordance with the Listing Rules or other regulations of regulatory authorities in respect of the corporate governance matters.
16. The chairman of the Nomination Committee shall attend the annual general meeting of the Company to answer the questions raised by the shareholders on Director's nomination and other nomination policy matters.
17. Minutes of the Nomination Committee meetings should be prepared and kept by the secretary of the Nomination Committee. Within a reasonable time after the meeting, the secretary of the Nomination Committee shall circulate the draft and final versions of minutes of such meeting to all members of the Nomination Committee for their comment and records respectively
18. The Nomination Committee shall report all its decisions or recommendations to the Board.
19. The terms of reference of the Nomination Committee shall be made available to the public on the websites of the Stock Exchange and the Company.

Application of the Articles of Association of the Company

20. For anything not included in these terms of reference, those applicable provisions of the Articles of Association of the Company on meeting procedures shall apply.

Rights of the Board

21. The Board may, subject to the Articles of Association of the Company and the Listing Rules (including the Code on Corporate Governance Practices under Appendix 14), amend, supplement and revoke the terms of reference and procedures of the Nomination Committee, provided that no such amendments and supplements and revocation shall invalidate the resolutions resolved or action taken by the Nomination Committee prior to any relevant actions and resolutions of the Nomination Committee.