



**PAUL Y. ENGINEERING GROUP LIMITED** (the “Company”)

**Terms of Reference**

for the Nomination Committee

**1. Membership**

- 1.1 The members of the Nomination Committee (the “Member(s)”) shall be appointed by the board of directors (the “Director(s)”) of the Company (the “Board”) from time to time.
- 1.2 The majority of the Members shall be independent non-executive Directors.
- 1.3 The Nomination Committee shall consist of not less than three Members.
- 1.4 The Chairman of the Nomination Committee shall be appointed by the Board.

**2. Meetings**

- 2.1 The Nomination Committee shall meet at least once a year and may be convened by any Member.
- 2.2 Notice may be given in writing or by telephone or by facsimile or electronic transmission or other similar means or in such other manner as the Nomination Committee may from time to time determine.
- 2.3 The quorum of the Nomination Committee shall be any two Members.
- 2.4 Meetings can be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other.
- 2.5 Resolutions of the Nomination Committee at any meetings shall be passed by a simple majority of votes of the Members present.
- 2.6 A resolution in writing signed by all the Members shall be as valid and effectual as if it had been passed at a meeting of the Nomination Committee duly convened and held.
- 2.7 Other than that stated herein, all provisions of laws and of the Company’s Bye-laws relating to proceedings of the Board shall apply mutatis mutandis to proceedings of the Nomination Committee.

2.8 Draft of minutes shall be circulated to all Members for comments as soon as reasonably practicable. Final version of minutes shall be prepared and sent to all Members and to all members of the Board as soon as practicable.

### **3. Attendance at meetings**

3.1 At the invitation of the Nomination Committee, other members of the Board and any other persons may be invited to attend all or part of any meetings.

3.2 Only Members are entitled to vote at the meetings.

### **4. Authority**

4.1 The Nomination Committee is authorised by the Board to seek any nomination related information it requires from any member of the Board and senior management of the Company in order to perform its duties.

4.2 The Nomination Committee is authorised by the Board to obtain independent legal or other professional advice if considered necessary to perform its duties at the expense of the Company.

4.3 The Nomination Committee shall be provided with sufficient resources to perform its duties.

### **5. Responsibility and Powers**

The Nomination Committee shall have the following responsibilities and powers:

5.1 to review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes;

5.2 to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

5.3 to assess the independence of independent non-executive Directors;

5.4 to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors in particular the Chairman and the Managing Director; and

5.5 to make recommendations to the Board on the removal of a Director.

### **6. Reporting procedures**

6.1 The Nomination Committee shall report to the Board after each meeting.

*Remark : "senior management" should refer to the same category of persons as referred*

*to in the Company's annual report and is required to be disclosed under Appendix 16 to the Listing Rules.*