



IN CONSTRUCTION HOLDINGS LIMITED
現 恆 建 築 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1500)

(the “Company”)

THE NOMINATION COMMITTEE
TERMS OF REFERENCE

These terms of reference of the Nomination Committee (the “Committee”) have been prepared based on the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules” and the “Exchange” respectively).

Composition

1. The Committee is established by the board of directors of the Company (the “Director(s) or “Board”) according to the articles of association of the Company (the “Articles of Association”) and the establishment would be effective from the date on which the shares of the Company are listed on the Exchange.

Members

2. The Committee members must be appointed by the Board and shall consist of not less than three members. The majority of the members must be independent non-executive Directors (the “INEDs”), and at least one member must be a Director of a different gender.
3. Chairman of the Committee shall be appointed by the Board and must be the Chairman of the Board or an INED.
4. Subject to Rules 2 and 3 above, the Board may, from time to time, at their discretion, change the composition of the members of the Committee.

Secretary

5. The Committee may appoint the company secretary of the Company or any other person with appropriate qualification and experience as the secretary of the Committee. Full minutes of the meetings should be kept by the secretary.

Frequency and proceedings of meetings

6. The Committee shall meet at least once a year. Additional meetings should be held as and when the work of the Committee demands.
7. The quorum of a meeting shall be two members of the Committee.
8. The Committee members may attend the meetings in person, by telephone or by video conference.
9. Resolutions of the Committee shall be passed by more than half of the members of the Committee.
10. A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.
11. Unless otherwise stated herein, proceedings of meeting of the Committee shall be governed by the relevant provisions of the Articles of Association (as amended from time to time).

Authority

12. All members of the Committee can have access to the advice and services of the secretary who is responsible to the Committee for ensuring that procedures of the Committee, and all applicable rules and regulations, are complied with.
13. The Committee shall be provided with sufficient resources to perform its duties and may seek independent professional advice in appropriate circumstances at the Company's expenses to perform its duties.
14. The Committee is authorised by the Board to investigate any activity within its terms of reference and seek any necessary information which is within its scope of duties from the employees of the Company and its subsidiaries (including members of the Board).

Duties

15. Main duties of the Committees should include: –

Board composition and diversity

- (a) to formulate, review and update, as appropriate, a diversity policy for the Board's approval having due regard to the requirements of the Listing Rules, to review and update the objectives that the Board has set out for implementing such policy, and to monitor the progress made (the "Board Diversity Policy");
- (b) at least once annually assess and review the structure, size, composition and the balance of skills, knowledge, experience and diversity (including as to gender and ethnicity) required of the Board and other factors which may be relevant to its effectiveness, and make recommendations to the Board with regard to its composition profile including, where appropriate, preparing a description of the capabilities required for any particular appointment and on any proposed changes to the Board to complement the Company's corporate strategy;

Nomination policy and selection criteria for Directors

- (c) to formulate, review and implement, as appropriate, the policy, criteria and procedures for the identification, selection and nomination of candidates for the role of Directors for the Board's consideration;

Recommendations with respect to the appointment of Directors

- (d) to identify and nominate individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships, having due regard to the Board's diversity policy and composition profile requirements, and ensuring that candidates will be considered on merit and against objective criteria and have the time and ability to contribute to the Board;
- (e) to identify and nominate candidates to fill casual vacancies of Directors for the Board's approval as and when they arise;
- (f) to assess the independence of INEDs including any conflict which a Director may have with the interests of the Company and review the INEDs' annual confirmations on their independence, and make disclosure of its review results in the corporate governance report in the annual report of the Company;

Succession planning

- (g) to make recommendations to the Board on the appointment or re-appointment of Directors and/or relevant matters relating to the succession planning for Directors, in particular the Chairman and the Chief Executive Officer taking into account all factors which the Committee considers appropriate including the challenges and opportunities facing the Company and the skills and expertise required in the future, and ensuring that senior management succession planning is discussed at the Board at least once annually;

Independence of non-executive Directors

- (h) to review annually the time commitment required from a Director (especially an INED) to perform his/her responsibilities;
- (i) where the Board proposes a resolution to elect an individual as an INED at the general meeting, the Committee should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:
 - a. the process used for identifying the individual and why the board believes should be elected and the reasons why it considers the individual to be independent;
 - b. 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;
 - c. the perspectives, skills and experience that the individual can bring to the Board; and
 - d. how the individual contributes to diversity of the Board.
- (j) support the Company's regular evaluation of the Board's performance;
- (k) disclosing (1) the policy for the nomination of directors during the year, which includes the nomination procedures and the process and criteria adopted by the nomination committee to select and recommend candidates for directorship during the year, and (2) its assessment of each Director's time commitment and contribution to the board, as well as the Director's ability to discharge his or her responsibilities effectively, taking into account professional qualifications and work experience, existing directorships of issuers listed on the Main Board or GEM and other significant external time commitments of such Director and other factors or circumstances relevant to the Director's character, integrity, independence and experience;

- (l) confirm and give due consideration to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Company's constitution or imposed by applicable legislation and regulations.

Reporting Procedures

16. The Committee should report to the Board, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations as to the steps to be taken.
17. Full minutes and written resolutions should be kept by the secretary of the Committee. Draft and final versions of minutes of the meetings should be sent to all Committee members for their comments and records, within a reasonable time after the meeting. Written resolutions should be promptly sent to all Committee members for their records after the written resolutions are passed.
18. At the next meeting of the Board following a meeting of the Committee, the Chairman of the Committee shall report to the Board on the works and recommendations of the Committee since the last Board meeting (if any). At least once annually, the Committee should present a report in writing to the Board which addresses the work of the Committee during the year.

Others

19. 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.
20. The Committee should disclose the Board Diversity Policy in the corporate governance reports of the Company.
21. Any changes to the terms of reference shall be effective after they have been approved by the Board.

– End–

Approved and adopted at the Board meeting on 27 December 2018 pursuant to a resolution passed by the Board and updated on 4 July 2025.