

WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED
威雅利電子(集團)有限公司

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

1. ESTABLISHMENT

- 1.1 The Nomination Committee (the “Committee”) is established by the board of directors of Willas-Array Electronics (Holdings) Limited (the “Company” and the “Board”, respectively).
- 1.2 Subject to the regulations contained in the Listing Manual of Singapore Exchange Securities Trading Limited (the “SGX Listing Manual”), the Code of Corporate Governance 2012 issued by the Monetary Authority of Singapore (the “Code of Corporate Governance”) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “HKEX” and the “Listing Rules”, respectively), the Committee shall be regulated by the provisions of this Terms of Reference.
- 1.3 In the event of any conflict between any provision of this Terms of Reference and any provision of the SGX Listing Manual, the Code of Corporate Governance and/or the Listing Rules, the Committee shall comply with the stricter provision (or in the event that the two provisions are not directly comparable, the Committee shall comply with both provisions), and the provisions of this Terms of Reference shall be construed to such extent as may be necessary to give effect to the stricter provision (or to both provisions, as the case may be).

2. COMPOSITION

- 2.1 The Committee shall have a minimum of three members (the “Members”) who shall be appointed by the Board out of their own number, provided that a majority of the Members shall be independent non-executive directors of the Company (the “INEDs”) and at least one director of a different gender to the Committee. The independence of a director of the Company (the “Director”) shall be determined by the Board in consultation with the Committee in compliance with Principle 2 of the Code of Corporate Governance (and the Guidelines thereunder) and Rule 3.13 of the Listing Rules. The lead independent director of the Company (if any) shall be appointed as a Member.
- 2.2 The Committee shall appoint one of its Members who is an INED to be its chairman (the “Chairman”). In the absence of the Chairman at a meeting of the Committee, the remaining Members present shall elect one of their numbers to chair the meeting.
- 2.3 A Member who wishes to retire or resign from the Committee should provide sufficient notice to the Company so that a replacement may be appointed before he/she leaves.
- 2.4 In the event of a vacancy, the Company shall endeavour to fill the vacancy as soon as possible.

3. SECRETARY

- 3.1 The company secretary of the Company shall be the secretary of the Committee (the “Secretary”). In the absence of the Secretary, the Committee may appoint another person to be the secretary of the meeting.

4. QUORUM

- 4.1 The quorum necessary for the transaction of business shall be two Members, of whom at least one must be an INED. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested or exercisable by the Committee.

5. MEETINGS

- 5.1 The Committee shall meet not less than once a year and at such other times as the Chairman or any Member shall require.
- 5.2 Questions arising at any meeting of the Committee shall be determined by a majority of votes, provided that a majority of the Members participating in such a decision shall be independent.
- 5.3 The Committee may invite other directors and executive officers of the Company to attend any meeting.
- 5.4 Except for the provision under paragraph 4 above, the Committee may regulate and amend the provisions relating to its own procedure and in particular the calling of the meetings, the notice to be given of such meetings, the voting and proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.

6. NOTICE OF MEETINGS

- 6.1 Meetings of the Committee shall be summoned by the Secretary at the request of the Chairman or by any Member.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each Member no less than three working days prior to the date of the meeting.
- 6.3 For the purpose of this paragraph 6, a working day shall mean any day except a Saturday, Sunday or a public holiday in Hong Kong or Singapore.

7. MINUTES OF MEETINGS

- 7.1 The Secretary or any one appointed to represent the Secretary at the meeting shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

- 7.2 Any minutes signed by the Chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence without any further proof of the facts stated therein. Draft and final versions of the minutes shall be circulated to all the Members for their comments and records within a reasonable time after the meeting.
- 7.3 Full minutes of the Committee shall be kept by the Secretary.
- 7.4 The Committee shall report to the Board when appropriate and submit any recommendations for endorsement by the entire Board.

8. ANNUAL GENERAL MEETING (the “AGM”)

- 8.1 The Chairman or in his/her absence, another Member (who must be an INED), shall attend the Company's AGM and be prepared to respond to any questions on the Committee's activities and responsibilities.

9. FUNCTIONS, DUTIES AND POWERS

- 9.1 The Committee shall:
- 9.1.1 review the structure, size and composition (including but not limited to the skills, knowledge, gender, age, cultural and educational background and professional experience) of the Board at least annually, assist the Board in maintaining a board skills matrix and make recommendations to the Board with regard to any proposed changes to the Board to complement the Company's corporate strategy;
 - 9.1.2 annually, and as and when circumstances require, review whether or not an INED is independent;
 - 9.1.3 be responsible for identifying and nominating for the approval of the Board suitably qualified candidates to fill Board vacancies as and when they arise;
 - 9.1.4 decide how the Board's performance may be evaluated and propose objective performance criteria which should allow for comparison with industry peers and address how the Board has enhanced long-term shareholder value. Such performance criteria should not be changed from year to year without proper justification;
 - 9.1.5 make recommendations to the Board on the appointment and re-appointment of Directors and succession planning for Directors, in particular the chairman of the Board and the Managing Director;
 - 9.1.6 assess the effectiveness of the Board as a whole and its Board committees and for assessing the contribution by each individual Director to the effectiveness of the Board; and
 - 9.1.7 review the Company's policy on Board diversity (the “Board Diversity Policy”) and any measurable objectives that the Board has set for implementing the Board Diversity Policy and the progress on achieving the objectives.

- 9.2 Where the Board proposes a resolution to elect an individual as an INED at the general meeting, it shall 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.
- 9.3 In assessing the independence of a Director, the Committee shall observe the relevant principles and guidelines of the Code of Corporate Governance, in particular, Guidelines 2.3 and 2.4 thereto, and Rule 3.13 of the Listing Rules. The Committee should disclose in full to the Board, for the Board's consideration, its reasons for considering a director to be independent, in particular, if such director has any of the relationships described in Guidelines 2.3 and 2.4 or Rule 3.13 of the Listing Rules.
- 9.4 The independence of any Director who has served on the Board for an extended period of time, in particular, any Director who has served on the Board beyond nine years from the date of his/her first appointment, should be subject to particularly rigorous review, taking into account the need for progressive refreshing of the Board.
- 9.5 In the case of a Director who has multiple board representations or a significant number of principal commitments (as defined in the Code of Corporate Governance), the Committee shall consider whether or not he/she is able to and has been adequately carrying out his/her duties as a Director, taking into consideration the number of his/her listed company board representations and other principal commitments which involve significant time commitment. Where appropriate, the Committee shall make recommendations to the Board on guidelines to be implemented to address the competing time commitments faced by Directors serving on multiple boards, as well as on the maximum number of listed company board representations which any Director may hold.
- 9.6 In considering whether a person should be approved as an alternate Director, the Committee should have regard to Guideline 4.5 of the Code of Corporate Governance. If the person is proposed to be appointed as an alternate Director to an INED, the Committee should review if the said person would similarly qualify as an INED prior to his/her appointment.
- 9.7 The Committee shall furnish the Board with the requisite information relating to the Committee and its responsibilities and activities as specified in the SGX Listing Manual, the Code of Corporate Governance and the Listing Rules from time to time for the purpose of disclosure in the Company's annual report.

10. AUTHORITY

- 10.1 The Committee is to be provided with sufficient resources to perform its duties and is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.
- 10.2 The Committee is authorised to obtain, at the Company's expense, outside legal or other independent professional advice on any matter within this Terms of Reference.

11. RESOLUTIONS IN WRITING AND MEETINGS BY CONFERENCE CALLS

- 11.1 A resolution in writing signed or approved by letter, telex or facsimile by a majority of the Members (of whom at least one must be an INED) shall be effective for all purposes as if it were a resolution passed at a meeting of the Committee duly convened, held and constituted. Any such resolution may consist of a single document or several documents all in like form each signed by one or more Members.
- 11.2 The Committee may conduct its meeting by means of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means without a Member being in the physical presence of another Member or Members and participation in a meeting in such manner shall be deemed to constitute presence in person at such meeting. Minutes of such a meeting signed by all participants of the meeting shall be conclusive evidence of any resolution of any meeting conducted in such manner.

12. PUBLICATION AND UPDATE OF THE TERMS OF REFERENCE

- 12.1 This Terms of Reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in statutory or regulatory requirements in Hong Kong and in Singapore.
- 12.2 This Terms of Reference shall be made available on request and by including the information on the HKEX's website, SGXNet and the Company's website.

In the case of inconsistency, the English text of this Terms of Reference shall prevail over the Chinese text.