

**TERMS OF REFERENCE OF THE NOMINATION COMMITTEE**

Amended and Restated with effect from 6 April 2017

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**Terms of Reference for the  
Nomination Committee of  
BOC Aviation Limited**

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## **Definitions**

1. For the purposes of these terms of reference (the *Terms*):

*Board* means the board of directors of the Company;

*Company* means BOC Aviation Limited;

*Company Secretary* means the company secretary of the Company;

*Constitution* means the constitution of the Company;

*Directors* means the members of the Board;

*Group* means the Company and its subsidiaries;

*Nomination Committee* means the nomination committee established by the resolution of the Board in accordance with these Terms;

*Senior Management* means Chief Executive Officer, Deputy Managing Director, Chief Financial Officer, Chief Commercial Officer/s and Chief Operating Officer;

*Shareholders* means the shareholders of the Company from time to time; and

*Stock Exchange* means The Stock Exchange of Hong Kong Limited.

## **Establishment**

2. The Nomination Committee was established by resolution of the Board on 12 May 2016.

## **Membership**

3. The members of the Nomination Committee shall be appointed by the Board from among the Directors and shall consist of not less than three members, a majority of whom shall be independent non-executive Directors. A quorum shall be two members of whom at least one shall be an independent non-executive Director. CGC A.5.1

4. Appointments to the Nomination Committee shall be for a period of up to three years, which may be extended by the Board provided that a majority of the committee members remain independent non-executive Directors.

5. The chairman of the Nomination Committee shall be appointed by the Board and shall be an independent non-executive Director or the chairman of the Board. CGC A.5.1

## **Meetings**

6. Meetings shall be held as and when appropriate, but not less than once a year.

7. An agenda and other relevant documents should be sent in full to all members in a timely manner and at least three days before the intended date of a meeting of the Nomination Committee (or such other period as may be agreed by its members).

8. Meetings of the Nomination Committee may follow the same procedures as those for meetings of the Board under the relevant provisions in the Constitution, as amended from time to time.

### **Annual general meetings**

9. The chairman of the Nomination Committee (or in his absence, his duly appointed delegate) shall attend the Company's annual general meetings and be prepared to respond to any Shareholders' questions on the Nomination Committee's activities. CGC E.1.2

### **Authority**

10. The Nomination Committee is authorised by the Board to perform any activity within these Terms. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with the Nomination Committee.

11. The Nomination Committee is authorised by the Board to obtain, at the Company's expense, external independent professional advice and to secure the attendance of professionals with relevant experience and expertise if it considers this necessary. The Nomination Committee shall be provided with sufficient resources to perform its duties. The Nomination Committee shall be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external party who advises the Nomination Committee. CGC A.5.4

### **Duties**

12. The duties of the Nomination Committee shall include:

- (a) reviewing the structure, size and composition (including the skills, knowledge and experience) required of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; CGC A.5.2(a)
- (b) formulating and reviewing the policy of diversity of Board members as appropriate and preparing the appropriate disclosure on the diversity policy in the corporate governance report; CGC A.5.6
- (c) giving full consideration to succession planning for Directors and Senior Management in the course of its work, taking into account the challenges and opportunities facing the Company and what skills and expertise are therefore needed on the Board in the future;
- (d) identifying individuals suitably qualified to become Directors and selecting or making recommendations to the Board on the selection of individuals nominated for directorship; CGC A.5.2(b)
- (e) assessing the independence of independent non-executive Directors; CGC A.5.2(c)
- (f) making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors and Senior Management, in particular the chairman and the chief executive officer; CGC A.5.2(d)
- (g) making recommendations to the Board on the appointment or dismissal of Senior Management and Company Secretary;

- (h) before appointments are made by the Board, evaluating the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation preparing a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Nomination Committee shall (where applicable and appropriate):
    - (i) use open advertising or the services of external advisers to facilitate the search;
    - (ii) consider candidates from a wide range of backgrounds; and
    - (iii) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
  - (i) keeping under review the leadership needs of the Group, both executive and non-executive, with a view to ensuring the continued ability of the Group to compete effectively in the marketplace, including any organisation structure change affecting Directors and Senior Management;
  - (j) keeping up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
  - (k) reviewing at least annually the time and contribution required from Directors. Performance evaluations should be used to assess whether the Directors are spending enough time in fulfilling their duties; and
  - (l) ensuring that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings.
13. The Nomination Committee shall also make recommendations to the Board concerning:
- (a) formulating plans for succession for both executive and non-executive Directors, and Senior Management;
  - (b) suitable candidates for the role of independent non-executive Directors;
  - (c) membership of the Company's Board committees, in consultation with the chairmen of those committees;
  - (d) the re-appointment of any non-executive Director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
  - (e) the re-election by Shareholders of any Director under the "retirement by rotation" provisions in the Company's Constitution having due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required; and
  - (f) any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an executive Director as an employee of the Company subject to the provisions of the law and their service contract.

## **Reporting procedures**

14. Full minutes of the Nomination Committee's meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the Company Secretary or a duly appointed representative). The minutes shall be made available for inspection on reasonable notice by any Director. Minutes of meetings of the Nomination Committee shall record in sufficient detail the matters considered by the Nomination Committee and decisions reached, including any concerns raised by members or dissenting views expressed. Draft and final versions of minutes of such meetings should be sent to all members of the Nomination Committee for their comment and records within a reasonable time after such meetings.

15. Without prejudice to the generality of the duties of the Nomination Committee set out in these Terms, the Nomination Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.

CGC D.2.2

16. The Nomination Committee shall make a statement in the annual report about its activities, the process used to make appointments and whether external advice and/or open advertising was used.

17. The Nomination Committee should evaluate its own performance, these Terms, and its membership annually to ensure it is performing its duties effectively, and recommend to the Board any changes it considers necessary.

## **Terms available**

18. The Nomination Committee shall make available these Terms on request and by inclusion on the websites of the Company and the Stock Exchange in order to explain its role and the authority delegated to it by the Board.

CGC A.5.3