



KOALA Financial Group Limited

樹熊金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8226)
(the “Company”)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE (“THE COMMITTEE”)

1. CONSTITUTION

- 1.1 Committee members shall be appointed by the board of directors (the “**Board**”) of the Company.
- 1.2 The Committee must consist of a minimum of three members and the majority of the members of the Committee shall be independent non-executive directors (“**INEDs**”) of the Company.
- 1.3 The chairman of the Committee shall be appointed by the Board and should either be the chairman of the Board or an INED.
- 1.4 The appointment of Committee members may be revoked, or additional members may be appointed to the Committee by resolutions passed by the Board.
- 1.5 The company secretary of the Company or his or her nominee shall act as the secretary of the Committee.
- 1.6 The constitution of the Committee shall comply with the requirements of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited as amended from time to time.

2. MEETINGS

- 2.1 The Committee shall meet with such frequency as it may consider appropriate, but in any event at least once a year. The chairman of the Committee may convene additional meetings at his discretion.

- 2.2 The quorum for meetings shall be two Committee members.
- 2.3 The resolution of the Committee shall be passed by majority votes and can be passed by way of written resolution signed by all Committee members in writing. Meeting can be held through attendance in person, via telephone conference or via video conference.
- 2.4 Full minutes of the Committee meetings should be kept by a duly appointed secretary of the meetings. Draft and final versions of minutes of the Committee meetings should be sent to all Committee members for their comment and records within a reasonable time after the meeting.
- 2.5 The Committee shall report to the Board on a regular basis. 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 findings and recommendations of the Committee.

3. ROLE AND AUTHORITY

- 3.1 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 Stock Exchange's website and the Company's website. The terms of reference of the Committee should be provided upon request and the role and function of the Committee shall be explained in the corporate governance report in the annual report of the Company.
- 3.2 The Committee should be provided with sufficient resources to perform its duties and should seek independent professional advice where necessary, at the Company's expense, to perform its responsibilities.
- 3.3 Where the Board proposes a resolution to elect an individual as an INED at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:
 - (i) the process used for identifying the individual, why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;
 - (ii) 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;

(iii) the perspectives, skills and experience that the individual can bring to the Board;
and

(iv) how the individual contributes to diversity of the Board.

4. FUNCTIONS

The functions of the Committee shall be:-

- 4.1 To review the structure, size, composition (including the skills, knowledge and experience) and diversity (including but not limited to gender, age, cultural and educational background, or professional experience) of the Board at least annually and make recommendations on any proposed changes to the Board to implement the Company's corporate strategy;
- 4.2 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;
- 4.3 To assess the independence of INEDs;
- 4.4 To make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman of the Board and the chief executive of the Company, taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future;
and
- 4.5 To establish and review the diversity policy of the Board, as appropriate, to review the measurable objectives that the Board has set for implementing the diversity policy of the Board and the progress of achieving the objectives, and to make disclosure of its review results in the corporate governance report annually.

December 2018

Note: If there is any inconsistency between the English and Chinese versions of these Terms of Reference, the English version shall prevail.