

ASIA DRAGON TRUST PLC
NOMINATION COMMITTEE (the Committee)
TERMS OF REFERENCE

MEMBERSHIP

The Committee should consist of independent non-executive Directors and comprise at least three such Directors

The Chairman of the Board shall be the Chairman of the Committee (“the Committee Chairman”).

MEETINGS

The Committee shall meet at least once in each year and otherwise as required. The Committee may invite additional attendees as it sees fit. The quorum will be two directors.

DUTIES

The Committee should:

Performance Evaluation

- review, at least annually, the performance of each director. The Chairman shall lead the appraisal of each director and the senior independent director shall lead the appraisal of the Chairman.
- review annually the time required by each director to perform their duties, taking into account their other appointments. Performance evaluation should be used to assess whether each Director is spending enough time to fulfil their duties.
- consider directors’ potential conflicts of interest and make recommendations to the Board as to their approval.
- consider the need for an externally facilitated Board evaluation.
- review and evaluate the structure, size and composition (including the skills, knowledge, diversity and experience) of the Board and make recommendations to the Board with regard to any changes.

Succession Planning

- give full consideration to succession planning, taking into account the challenges and opportunities facing the Company and what skills and expertise are needed on the Board in the future.
- prepare a description of the role and capabilities required for a particular appointment, taking into account the current balance of skills, knowledge, diversity and experience of the Board.
- normally seek to engage an independent consultancy to assist with the selection of candidates.
- consider candidates from a wide range of backgrounds.
- identify and nominate for the approval of the Board, candidates to fill Board vacancies as and when they arise.

Board Appointments

- ensure the provision of an induction programme for new directors;
- monitor the professional development and training needs of existing directors.
- ensure that on appointment to the Board, 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 of Board meetings.
- make recommendations to the Board concerning the appointment of the senior independent director, chairman of the Audit Committee and chairman of the Remuneration Committee.

Tenure

- adopt a policy whereby each Director shall retire on, or shortly after, the ninth anniversary from the date of their initial date of appointment as a Director, unless in relation to exceptional circumstances for ensuring the orderly refreshment of the Board.
- make recommendations to the Board on the annual re-election of each director and the re-appointment of any director at the conclusion of each specified term of office (three years).

REPORTING

Meetings

Following each meeting, the Chairman shall report formally to the Board on all matters within its duties and responsibilities and the Committee's recommendations to the Board.

The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Board.

Terms of Reference

The Committee shall make publicly available its terms of reference via the Company's website.

Annual Report

The Committee shall report to shareholders on its activities in the Company's Annual Report which would include the following:

- the membership of the Committee, the number of Committee meetings and attendance of members over the course of the year;
- process for annual Board evaluation;
- policy on diversity and inclusion;
- policy on tenure;
- approach to succession planning and the process used for new appointments; explanation if external advice was not used.

January 2020