

CHINA TOBACCO INTERNATIONAL (HK) COMPANY LIMITED

中煙國際（香港）有限公司

Term of Reference of Nomination Committee

Members

1. The members of the Nomination Committee shall be appointed by the board of directors from amongst the independent non-executive directors.
2. The chairman of the Nomination Committee shall be appointed by the board of directors.
3. The quorum for meetings of the Nomination Committee shall be two members.

Secretary

4. The company secretary shall be the secretary of the Nomination Committee.

Frequency of meetings

5. The Nomination Committee shall meet at least once a year.

Consultation

6. The board of directors authorises the Nomination Committee to seek appropriate independent professional advice at the Company's expense within or outside the Group as the Nomination Committee deems necessary.

Duties

7. The duties of the Nomination Committee are:
 - to review the structure, size and composition (including the skills, knowledge and experience) of the board of directors at least annually and make recommendations on any proposed changes to the board of directors to complement the Company's corporate strategy;
 - to identify individuals suitably qualified to become board members and select or make recommendations to the board of directors on the selection of, individuals nominated for directorships;
 - to assess the independence of independent non-executive directors;

- to make recommendations to the board of directors on the appointment or re-appointment of directors and succession planning for directors, in particular the Chairman and the Chief Executive Officer;
- to report to the board of directors on its decisions or recommendations, unless there are legal or regulatory restrictions; and
- other matters required by laws, administrative regulations, departmental rules and authorized by the Board.

Minutes of meetings

8. Minutes of meetings of the Nomination Committee shall be sent to all members of the board of directors.

Performance review

9. The Nomination Committee shall review its performance annually with reference to the authorities and duties set out herein.