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**Terms of Reference for the  
Nomination Committee of  
Budweiser Brewing Company APAC Limited**  
*(A company incorporated in the Cayman Islands with limited liability)*

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## Definitions

1. For the purposes of these terms of reference:

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

**CEO** means the chief executive officer of the Company as appointed by the Board from time to time;

**Company** means Budweiser Brewing Company APAC Limited;

**Directors** means the members of the Board;

**ExCom** means the CEO, the chief financial officer and the general counsel of the Company;

**Group** means the Company and its subsidiaries;

**Listing Rules** mean the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);

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

**Senior Management** means the senior management of the Company;

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

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

## Constitution and mission

2. The Nomination Committee was established by resolution of the Board on 2 July 2019, effective conditional upon the listing of the Company's shares on the Stock Exchange.
3. The Nomination Committee's principle role is to guide the Board succession process and assist the Board in safeguarding the enduring greatness of the Company. It ensures that the Board is comprised of Directors that are able and determined to (i) pick the best possible leaders for the Company and (ii) put the right people in the appropriate managerial positions.
4. The Nomination Committee identifies persons qualified to become independent Directors, consistent with the succession criteria below, and recommends any Director candidates for (i) appointment by the Board or (ii) nomination by the Board and appointment by the Shareholders' Meeting.
5. The Nomination Committee will also guide the Board with respect to all its decisions relating to the appointment and retention of key talent within the Company, ensuring that:
  - (a) the Company has exceptional people who occupy appropriate positions and who are incentivised to achieve exceptional performance;
  - (b) the Company develops successors for all key positions;

- (c) the Company nurtures a culture of ownership, simplicity, efficiency, high ethical standards and the permanent quest to improve results; and
- (d) individual targets are established to align the interests of all employees with the Company's goals and objectives set by the Board.

### **Nomination criteria for Board members**

- 6. As the gatekeeper to the Board, the Nomination Committee will ensure that Directors joining the Board share the Company's dream not only in its current interpretation (*Bring People Together for a Better World*), but also in its underlying vision of enduring greatness and of building the preeminent consumer goods Company of the 21st century.
- 7. All active and prospective Directors must live by the following five Board principles:
  - (a) ensuring the Company's enduring greatness is the Board's overarching purpose;
  - (b) the Board is the guardian of the Company's culture that manifests itself in the Company's 10 principles. The Board itself adheres to the 10 principles;
  - (c) the Company's executives are partners of the Shareholders and the Board. They are not merely employees;
  - (d) the Company has a culture of mutual respect and trust. Directors speak up, listen and come back constructively. They are transparent, honest and candid. They hold no grudges. There is no room for politics or hidden agendas around the Board table; and
  - (e) the Board nominates successors that are as good as or better than the outgoing Directors.
- 8. The Board members must have the right mix of skill and experience. Therefore, more conventional recruitment criteria for Directors such as experience, executive position, functional expertise, reputation and public visibility are also relevant.

### **Composition and functioning**

- 9. The Nomination Committee shall consist of not less than three members appointed by the Board from among the Directors, 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
- 10. The chairman of the Nomination Committee shall be appointed by the Board and shall be an independent non-executive Director or the Chairman.
- 11. The Nomination Committee decides by a simple majority.
- 12. The CEO, the VP People and the general counsel shall be invited ex officio to the Nomination Committee meetings unless explicitly decided otherwise.

## **Frequency and conduct of meetings**

13. The Nomination Committee shall meet at least once per year and more if required and as convened by its chairman or at the request of at least two of its members.
14. An agenda and other relevant documents should be sent to all members of the Nomination Committee in a timely manner before the intended date of a meeting of the Nomination Committee.
15. Meetings of the Nomination Committee shall follow the same procedures as those for meetings of the Board under the relevant provisions in the Articles of Association, as amended from time to time.

## **Reporting procedure**

16. The duly appointed secretary (who should normally be the VP People or a duly appointed representative) to the Nomination Committee shall draft and keep full minutes of each meeting reflecting in sufficient detail the issues which were discussed, the matters which were considered, the decisions which were taken and, if any, the reservations and concerns which were voiced by dissenting members of the Nomination Committee. The minutes will be approved by the chairman of the Nomination Committee and subsequently by the Nomination Committee during its next regularly scheduled meeting. The minutes shall be made available for inspection on reasonable notice by any Director. 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.
17. Without prejudice to the generality of the duties of the Nomination Committee set out in these terms of reference, the Nomination Committee shall:
  - (a) report back to the Board following each meeting of the Nomination Committee on the principal matters reviewed or approved by the Nomination Committee and its recommendations regarding actions to be taken by or decisions to be approved by the Board; and
  - (b) keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.

## **Annual general meetings**

18. The chairman of the Nomination Committee (or in his/her absence, his/her duly appointed delegate) shall attend the Company's annual general meeting and be prepared to respond to any Shareholders' questions on the Nomination Committee's activities.

## **Authority**

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

20. The Nomination Committee has the authority to retain and terminate any search firm to be used in assisting with the identification of Director candidates or executives, including authority to approve the search firm's fees and other retention terms. It is also authorised to obtain independent advice, including legal advice, from internal or external professional advisers at the Company's expense and to secure the attendance of outsiders 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

## **Powers and responsibilities**

### ***With respect to the composition and functioning of the Board and its committees***

21. In addition to guiding the Board succession process, the responsibilities of the Nomination Committee include the following:
- (a) to review and make recommendations on any proposed changes to the Board regarding the overall size, composition (including the skills, knowledge, and experience), organisation, structure and operations required of the Board and its committees at least annually, in line with the articles of association of the Company to complement the Company's corporate strategy; CGC A.5.2(a)
  - (b) to formulate and review the policy for the nomination of Directors and policy of diversity of Board members as appropriate and preparing the appropriate disclosure on the nomination policy and diversity policy in the corporate governance report; LR13.92  
CGC L(d)(ii)
  - (c) to give full consideration to succession planning for Directors and other 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) to identify individuals suitably qualified to become Directors (including independent non-executive Directors) and to select or make recommendations to the Board on the selection of individuals nominated for directorship; CGC A.5.2(b)
  - (e) to assess the independence of independent non-executive Directors; CGC A.5.2(c)
  - (f) to make recommendations to the Board on the appointment, re-appointment or re-election of Directors and succession planning for Directors, in particular the chairman and the CEO; CGC A.5.2(d)
  - (g) before appointments are made by the Board, to evaluate the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Nomination Committee shall (where applicable and appropriate) consider candidates from a wide range of backgrounds, on merit and against objective criteria, taking care that appointees have enough time available to devote to the position; CGC A.5.5

- (h) to 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, involvement outside board meetings and other key terms and conditions of their appointment;
- (i) to recommend to the Board from time to time updated criteria for the selection of new Directors;
- (j) to recommend on-going qualification standards for Directors, including standards for determining Director independence and criteria for the evaluation of Director performance; CGC A.5.5
- (k) to develop, recommend and implement the processes for the annual evaluation of the performance and effectiveness of the Board, its committees and each individual Director;
- (l) to annually review and assess the contribution and performance of all Directors. Performance evaluations should be used to assess whether the Directors are spending enough time in fulfilling their duties;
- (m) to recommend the functions and monitor the operations of the Board committees;
- (n) to recommend criteria for committee membership and the appointment and removal of committee members and chairs;
- (o) to recommend candidates for the position of chairman of the Board, and investigate, review and evaluate the qualifications of candidates for chairman;
- (p) to recommend 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; and
- (q) to oversee and make recommendations regarding matters of corporate governance, including induction of new Directors and continuing education of Directors.

***With respect to appointment and retention of key talent within the Company***

22. The responsibilities of the Nomination Committee include the following:

- (a) to submit for approval to the Board the appointment of the CEO and of the members of the ExCom and the Senior Management (upon the recommendation of the CEO);
- (b) to monitor the careers and succession planning of the members of the ExCom and the Senior Management and of high-potential executives;
- (c) to monitor the trainee program results in terms of recruitment during the year, career progress of trainees recruited in previous years and overall assessment of the program results vs. stated objectives;

- (d) to discuss culture, quality of the employees, and training needs;
- (e) to review the annual performance of the top executives of the Company and their successors;
- (f) to review the Company's needs for employees and guarantee the existence of management depth for expansion and succession; and
- (g) to approve all external hiring of key executives.

### **Annual evaluation**

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

### **Terms available**

24. The Nomination Committee shall make available these terms of reference 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