



**中國基礎能源控股有限公司**  
**China Primary Energy Holdings Limited**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8117)**

## **TERMS OF REFERENCE OF THE NOMINATION COMMITTEE**

*(Adopted by China Primary Energy Holdings Limited (the “Company”) pursuant to the board resolutions passed on 22 March 2012 and amended and restated pursuant to the board resolutions on 12 July 2016)*

### **1. CONSTITUTION**

1.1 The board (the “**Board**”) of directors (the “**Directors**”) of the Company established a committee of the Board known as the nomination committee (the “**Committee**”).

### **2. MEMBERSHIP**

2.1 The members of the Committee shall be appointed by the Board and shall consist of at least three members, a majority of whom shall be independent non-executive Directors.

2.2 The chairman of the Committee shall be appointed by the Board and must be an independent non-executive Director.

### **3. QUORUM**

3.1 The quorum necessary for the transaction of the business of the Committee shall be two members of the Committee of which at least one should be independent non-executive Director.

### **4. SECRETARY**

4.1 The company secretary of the Company shall be the secretary (the “**Secretary**”) of the Committee. In the absence of the Secretary, his/her delegate(s) or any person elected by the members present at the meeting of the Committee, shall attend the meeting and take minutes.

## 5. AUTHORITY

The authorities of the Committee shall include such authorities set out in the relevant code provisions of the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as contained in Appendix 15 of the Rules (the “**GEM Listing Rules**”) governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (as amended from time to time). Without prejudice to any requirement under the CG Code, the Committee shall have the following authorities:

- 5.1 all members of the Committee shall have access to the advice and services of the Secretary with a view to ensuring that procedures of the Committee and all applicable rules and regulations are followed, and separate and independent access to the Company’s senior management for obtaining necessary information.
- 5.2 any member of the Committee shall have separate and independent access to outside legal or other independent professional advice in connection with his/her duties at the Company’s expense upon reasonable request to the chairman of the Committee and the chairman of the Company.
- 5.3 the Committee shall be provided with sufficient resources to discharge its duties.

## 6. POWERS AND DUTIES

The powers and duties of the Committee shall include such powers and duties set out in the relevant code provisions of the CG Code as contained in Appendix 15 of the GEM Listing Rules (as amended from time to time). Without prejudice to any requirement under the CG Code, the Committee shall have following powers and duties:

- 6.1 review the structure, size and diversity (including without limitation the gender, age, cultural and educational background, professional experience, skills and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy with due regard to the board diversity policy (the “**Board Diversity Policy**”) of the Company.
- 6.2 identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for the directorships.
- 6.3 assess the independence of the independent non-executive Directors and review the independent non-executive Director’s annual confirmation on their independence.

- 6.4 make recommendations to the Board on the appointment, re-appointment and re-designation of Directors and succession planning for Directors, in particular the chairman and the chief executive.
- 6.5 develop the diversity of Board members, and disclose the Board Diversity Policy or a summary of the Board Diversity Policy in the corporate governance report.
- 6.6 monitor the implementation of the Board Diversity Policy and review such policy, as appropriate, to ensure its effectiveness.
- 6.7 make recommendations to the Board of 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.
- 6.8 make recommendations to the Board of the appointment of any Director to executive office.

## **7. MEETINGS AND PROCEEDINGS**

- 7.1 Unless otherwise stated herein, meetings and proceedings of the Committee shall be governed by the provisions contained in the articles of association of the Company (as amended from time to time) for regulating the meeting and proceedings of Directors.
- 7.2 The Committee shall meet at least once a year. Additional meeting should be held if the Committee shall so request.
- 7.3 Only members of the Committee have the right to attend Committee meetings. Other individuals may be invited to attend all or part of any meeting as and when appropriate.
- 7.4 The meeting could be held in person, by telephone or by video conference. Members of the Committee may participate in a meeting by means of which all persons participating in the meeting are capable of hearing each other.
- 7.5 Without prejudice to any requirement under the GEM Listing Rules, a resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

## **8. NOTICE OF MEETINGS**

- 8.1 A meeting of the Committee may be convened by any of its members or by the Secretary.
- 8.2 Notice of meetings shall be given to all members of the Committee at least 2 working days before the meeting, unless all members unanimously waive such notice.
- 8.3 Agenda and accompanying supporting papers shall be sent to all members of the Committee and to other attendees as appropriate at least 2 working days before the date of the meeting (or such other period as the members may agree).

## **9. REPORTING PROCEDURES**

- 9.1 Proper minutes of the Committee meetings shall be kept by the Secretary and shall be open for inspection by any Director at any reasonable time on reasonable notice by the Director.
- 9.2 Minutes of the Committee meetings shall record in sufficient details the matters considered by the Committee and decision reached, including any concerns raised by the Committee members or dissenting view.
- 9.3 The Secretary should keep full minutes of all Committee meetings. Draft and final versions of minutes of the Committee meetings should be sent to all members for their comments and records respectively, in both cases within a reasonable time after the meeting.

## **10. ANNUAL GENERAL MEETINGS**

- 10.1 The chairman of the Committee shall endeavour to attend the annual general meeting of the Company and be prepared to respond to any shareholder questions on the Committee's work and responsibilities.
- 10.2 If the chairman of the Committee is unable to attend an annual general meeting of the Company, he shall arrange for another member of the Committee, or failing this, his duly appointed delegate, to attend in his place. Such person shall be prepared to respond to any shareholder questions on the Committee's work and responsibilities.

## **11. REPORTING REPOSIBILITIES**

- 11.1 The chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).
- 11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

*Note: If there is any inconsistency between the English and Chinese versions of this terms of reference, the English version shall prevail.*