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**華潤燃氣控股有限公司**  
**China Resources Gas Group Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1193)**

**CHINA RESOURCES GAS GROUP LIMITED**

**TERMS OF REFERENCE  
FOR THE NOMINATION COMMITTEE**

(adopted on 5<sup>th</sup> March, 2005)  
(amended on 1<sup>st</sup> December, 2008)  
(amended on 13<sup>th</sup> March, 2012)  
(amended on 31<sup>st</sup> December, 2018)  
(amended on 30<sup>st</sup> December, 2022)

**CHINA RESOURCES GAS GROUP LIMITED**  
**Terms of Reference for the Nomination Committee**

**1. Purpose**

The primary objective of the Nomination Committee (the “Committee”) is to assist the Board in establishing a formal, considered and transparent procedure for the appointment of new directors to the Board.

**2. Composition**

- (a) All Committee members, including its Chairman, shall be appointed by the Board. The Chairman shall be the chairman of the Board or an Independent Non-executive Director.
- (b) The Committee shall consist of not less than 3 members and the majority of whom should be Independent Non-executive Directors.

**3. Meetings**

- (a) A quorum shall be two members.
- (b) The Committee shall meet as frequently as is necessary to discharge its duties, but meetings shall be held not less than once a year. The Chairman of the Board, the Chief Executive Officer or other Directors of the Company may attend such meetings in order to assist the Committee.

**4. Authority**

- (a) The Committee is authorised by the Board to make full use of intermediate agencies for identifying qualified director candidates at the Company’s expense.
- (b) The Committee is authorised by the Board to conduct interviews with prospective candidates for nomination. Interview may be carried out in the presence of the Directors of the Company.
- (c) The Committee is authorised to seek any information within its terms of reference and all employees are directed to co-operate with any request made by the Committee.
- (d) The Committee is authorised to seek independent professional advice to perform its responsibilities.
- (e) The Chairman of the Committee shall give not less than 3 days’ prior notice to the Chairman of the Board if the Committee proposes to engage intermediate agencies. The Directors of the Company may discuss the proposed engagement with members of the Committee, and the Committee shall consider representations made to it before making a decision. The amount to be expended shall be authorised by the Board (which authorization shall not be unreasonably withheld or delayed).

## **5. Duties**

The duties of the Nomination Committee shall be:

- (a) To review the structure, size and composition (including the skills, knowledge 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.
- (b) To develop and maintain a policy for the nomination of Directors, which includes the nomination procedures and the process and criteria adopted by the Committee to identify, select and recommend candidates for directorship during the year, and to review periodically and disclose in the Company's corporate governance report the policy and the progress made towards achieving the objectives set in the policy, and propose amendments to the Board as necessary. The Committee should ensure that the selection process is transparent and fair, and that it considers a broad range of candidates who are outside the Board's circle of contacts and in accordance with the Company's diversity policy;
- (c) To develop and maintain a policy concerning diversity of Board members, review the implementation and effectiveness of such policy on an annual basis, and make recommendations to the Board on policy and objective concerning gender diversity of Board members and disclose the policy on diversity or a summary of the policy in the Company's corporate governance report;
- (d) 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.
- (e) To make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive.
- (f) To assess the independence of Independent Non-executive Directors by reference to the requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (including but not limited to Rule 3.13 of the Listing Rules and paragraph B.2.3 of Part 2 of the Corporate Governance Code). No Independent Non-executive Director can participate in assessment on his/her independence.
- (g) To consider other topics as defined by the Board.

## **6. Reporting responsibilities**

- (a) The Committee shall report to the Board at its regular or other Board meetings on the nature and extent of the functions performed by it and may make such recommendations to the Board on any matters relating to nomination as it may think fit within the terms of reference.
- (b) The Committee should ensure that the Board is provided with sufficient information to ensure informed decision taking.

- (c) The Committee ensures where the Board proposes a resolution to elect an individual as an Independent Non-executive Director 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 why they believe he/she should be elected and the reasons why they consider him/her to be independent, as well as the other reasons and factors required by paragraph B.3.4 of Part 2 of the Corporate Governance Code.
- (d) In regard to (c) above:
  - (i) If an Independent Non-executive Director serves more than nine years, his/her further appointment should be subject to a separate resolution to be approved by shareholders. The papers to shareholders accompanying such resolution should state why the Nomination Committee believes the Director is still independent and should be re-elected, including the factors considered, the process and discussion of the Nomination Committee in arriving at such determination.
  - (ii) Where all the Independent Non-executive Directors of the Board serve more than nine years, then the Board should:
    - (1) disclose the name and the length of tenure of each existing Independent Non-executive Director in the circular to shareholders and/or explanatory statement accompanying the notice of the annual general meeting; and
    - (2) appoint a new Independent Non-executive Director at the forthcoming annual general meeting<sup>1</sup>.
- (e) Minutes of meetings of the Committee shall be kept by the secretary appointed by the Committee. The minutes are available for inspection at any reasonable time on reasonable notice issued by any Director.
- (f) Minutes of meetings of the Committee should record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of minutes of the meetings should be sent to all Committee members for their comment and records, within a reasonable time after the meeting.

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<sup>1</sup> The requirement for the appointment of a new Independent Non-executive Director will be effective for the financial year beginning on or after 1 January 2023.