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

# 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 of the Board.

### 2. Composition

- (a) All Committee members, including the 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 no less than 3 members and the majority of them shall be Independent Non-executive Directors.

### 3. Meetings

- (a) A quorum shall be 3 members.
- (b) The Committee shall meet as frequently as is necessary to discharge its duties, but meetings shall be held no less than once a year. The Chairman of the Board, the Chief Executive Officer or other Director of the Company shall attend such meetings in order to assist the Committee.

### 4. Authority

- (a) The Committee is authorized by the Board to make full use of intermediary agencies for identifying qualified director candidates of the Company's personnel.
- (b) The Committee is authorized by the Board to conduct inquiries into the propriety of candidates for nomination. Inquiries may be carried out in the presence of the Director of the Company.
- (c) The Committee is authorized to seek and obtain information within its term of reference and all employees are directed to cooperate with any requests made by the Committee.
- (d) The Committee is authorized to seek independent professional advice to perform its responsibilities.
- (e) The Chairman of the Committee shall give no less than 3 days' prior notice to the Chairman of the Board if the Committee proposes to engage intermediary agencies. The Director of the Company shall discuss the proposed engagement with members of the Committee, and the Committee shall consider representation made to it before making a decision. The amount to be expended shall be authorized by the Board (which authorization shall not be retroactively held or delayed).

## 5. Duties

The duties of the Nomination Committee shall be:

- (a) To review the structure, size and composition (including the skill, knowledge and experience) of the Board and, where appropriate, make recommendations on any proposed change 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 procedure and the process and criteria adopted by the Committee to identify, elect 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 election process is transparent and fair, and should consider a broad range of candidates who are outside the Board's circle of contact 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 objectives 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 individual suitably qualified candidates to become Board members and elect or make recommendations to the Board on the election of individual nominees for directorship.
- (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 assure 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 a decision 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 make such recommendations to the Board on any matters relating to nomination as it may think fit in the circumstances of reference.
- (b) The Committee should ensure that the Board is provided with sufficient information to enable it to make informed decisions.

(c) The Committee hereby proposes a resolution, to elect an individual as an Independent Non-executive Director at the general meeting, if he/ she is mentioned in the circular to shareholders and/or the plan or a memorandum accompanying the notice of the relevant general meeting in which he/ she is believed to be eligible and the reason why he/ she is considered 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 is more than nine years, his/ her appointment should be subject to a separate resolution, to be approved by shareholders. The paper to shareholders accompanying such resolution should state that the Nomination Committee believes the Director is still independent and should be re-elected, including the factors considered, the process and decision of the Nomination Committee in arriving at such determination.