



河北建設集團股份有限公司

**HEBEI CONSTRUCTION GROUP CORPORATION LIMITED**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1727)**

**TERMS OF REFERENCE OF THE NOMINATION COMMITTEE  
UNDER THE BOARD OF DIRECTORS OF  
HEBEI CONSTRUCTION GROUP CORPORATION LIMITED**

**CHAPTER 1 GENERAL PROVISIONS**

- Article 1 In order to regulate the appointment of management personnel, optimize the composition of the board of directors and senior management, and improve the corporate governance structure of Hebei Construction Group Corporation Limited (the “**Company**”), the Nomination Committee under the board of directors of Hebei Construction Group Corporation Limited (the “**Committee**”) is established with these terms of reference (these “**Terms**”) in accordance with the Company Law of the People’s Republic of China, the Standards of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), the Articles of Association of Hebei Construction Group Corporation Limited (the “**Articles**”), the Rules of Procedures for the Meetings of the Board of Directors of Hebei Construction Group Corporation Limited and other relevant laws, regulations and regulatory documents.
- Article 2 The Committee is a special committee under the board of directors and is mainly responsible for identifying candidates, formulating selection standards and procedures, and examining candidates for directors and senior management of the Company, and providing recommendations on the selection.
- Article 3 The reference of “senior management” herein refers to the president, vice president, chief engineer, chief economist, chief accountant, secretary to the board of directors appointed by the board of directors and other executives as provided under the Articles.
- Article 4 The Committee shall be accountable and report to the board of directors.
- Article 5 These Terms shall apply to the Committee and the persons and departments governed by these Terms.

## **CHAPTER 2 COMPOSITION AND EXECUTIVE BODY OF THE COMMITTEE**

- Article 6            The Committee shall consist of no less than three directors, with a majority of whom being independent non-executive directors. Members of the Committee shall be nominated by the chairman of the board of directors and appointed by the board of directors upon approval by more than half of the directors.
- Article 7            The Committee shall have a chairman who shall be an independent non-executive director. The chairman of the Committee shall be nominated by the chairman of the board of directors and appointed upon approval of the board of directors.
- Article 8            The term of office of the Committee shall be the same as that of the board of directors, and the term of office of a Committee member shall be the same as his/her term of office as a director. Committee members may be re-elected upon expiry of their terms of office. A member of the Committee shall, ipso facto, cease to be a member when he/she is no longer a director of the Company.
- Article 9            A Committee member may tender his/her resignation to the board of directors during his/her term of office by giving a written resignation to explain the reason for resignation and matters which need to be brought to the attention of the board of directors. If the number of members falls below the minimum number as provided herein, the resigning member shall continue to perform his/her duties until the alternate member of the board of directors takes office.
- Article 10           The Committee members are subject to changes during their terms of office if proposed by the chairman of the board of directors and approved by the board of directors.
- Article 11           If the number of the Committee members falls below the minimum number as provided herein, the board of directors shall make up the shortfall in accordance with these Terms.
- Article 12           With the coordination of the office of the board of directors, the human resource department of the Company shall act as the executive body of the Committee to provide support and services and perform duties assigned by the Committee.

### CHAPTER 3 RESPONSIBILITIES OF THE COMMITTEE

Article 13      The primary responsibilities of the Committee include:

- (1) to formulate the standards, procedures and methods for election of directors and senior management of the Company and submit the same to the board of directors for approval;
- (2) to review the structure, size, composition and relevant qualifications (including skill, knowledge and experience) of the board of directors at least once annually, assist the board of directors in maintaining a board skills matrix, make recommendations on any adjustment to the board of directors to complement the development strategy of the Company, and formulate a diversity policy for the board of directors;
- (3) to identify and examine the candidates for directors, president and secretary to the board of directors and provide recommendations to the board of directors;
- (4) to screen the candidates for other management members and provide advice to the board of directors;
- (5) to evaluate the overall skill, expertise and experience of directors and senior management, make an assessment of each director's time commitment and contribution to the board of directors and the director's ability to discharge his or her responsibilities effectively, assess the independence of the independent non-executive directors, and support the Company's regular evaluation of the performance of the board of directors;
- (6) to look for suitable candidates for vacant positions from the domestic and overseas human resources markets and within the Company, and make recommendations to the board of directors;
- (7) to propose the human resources retention scheme and provide recommendations to the Company;
- (8) to make recommendations to the board of directors on the candidates for directors and senior management, and provide advice to the board of directors on the appointment or re-appointment of directors and succession plan for directors, in particular the chairman of the board of directors and the president;
- (9) to perform other duties as granted by the laws and regulations, and relevant regulatory requirements of the place where the Company is listed, such as the Hong Kong Listing Rules, these Terms and by the board of directors.

Article 14 Responsibilities of the chairman of the Committee include:

- (1) to convene and preside over the meetings of the Committee;
- (2) to supervise and examine the performance of the Committee and implementation of the resolutions of the Committee;
- (3) to sign the relevant documents of the Committee;
- (4) to report the work of the Committee to the board of directors;
- (5) to perform other duties as required or conferred by the laws and regulations, and relevant regulatory requirements of the place where the Company is listed, such as the Hong Kong Listing Rules, these Terms and by the board of directors.

Article 15 Major responsibilities of a Committee member include:

- (1) to attend meetings of the Committee punctually, and express opinions on the matters discussed thereon and exercise voting rights at the meetings;
- (2) to propose matters for discussion at the meetings of the Committee;
- (3) to attend or observe relevant meetings of the Company, conduct studies and researches, and obtain reports, documents, materials and other relevant information necessary for the performance of his/her responsibilities;
- (4) to fully understand the responsibilities of the Committee as a whole and those as a member of the Committee, and acquaint himself/herself with the operation, management, business activities and development of the Company to ensure his/her capacity for the performance of responsibilities;
- (5) to guarantee that he/she has devoted sufficient time and attention to fulfil his/her responsibilities;
- (6) to perform other duties as required by the laws and regulations, and relevant regulatory requirements of the place where the Company is listed, such as the Hong Kong Listing Rules, these Terms and by the board of directors.

## **CHAPTER 4 MEETINGS OF THE COMMITTEE**

- Article 16 Meetings of the Committee can be classified as regular meetings and extraordinary meetings.
- Article 17 The Committee shall hold at least one regular meeting every year, and the notice of the meeting shall be served to all members three days before such meeting.
- Article 18 The Committee may convene extraordinary meetings when necessary. In any of the following circumstances, the chairman of the Committee shall issue a notice to convene a meeting within three days from the occurrence of the followings:
- (1) in circumstances as deemed necessary by the board of directors;
  - (2) in circumstances as deemed necessary by the chairman of the Committee;
  - (3) when proposed by two or more members of the Committee.
- Article 19 The executive body of the Committee shall issue the notice of meeting in writing to each of the Committee members and relevant persons being invited to attend the meeting three days prior to the date of the meeting (except in special circumstances where the requirement of a prior notice is exempted, provided that the chairman of the meeting shall provide explanation at the meeting). The notice of meeting shall contain information on the form, time, venue, duration and agenda of the meeting, time of issuance of the notice, name and contact information of the contact person of the meeting and other relevant information.
- Article 20 Upon receipt of the notice, all Committee members shall promptly provide confirmation and relevant replies (including but not limited to the confirmation of attendance, schedule and other matters) via a proper means.
- Article 21 The quorum of a Committee meeting shall be the presence of all members.

- Article 22 All members of the Committee shall attend the meeting in person. If a member is unable to attend the meeting in person, such member shall, by signing and submitting a letter of proxy, authorize another member of the Committee to attend and express opinion at the meeting on his/her behalf. Such letter of proxy shall expressly state the scope and term of the authorization. Each member may appoint only one other member as his/her proxy to exercise the voting right on his/her behalf. Where a member authorizes two or more other members to exercise the voting right on his/her behalf, such authorization shall be invalid. In addition, no member shall accept any such authorization from two or more other members concurrently.
- The member attending a meeting on behalf of another member shall exercise the rights within the scope of authorization. If a member does not attend a meeting in person or authorize another member to exercise the rights on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting, he/she shall be deemed to have waived his/her rights.
- A member who is unable to attend a meeting in person may also exercise his/her rights by submitting in writing his/her opinion with respect to any matter to be discussed, provided that such written opinion shall be submitted to the executive body of the Committee before the meeting at the latest.
- Article 23 If a member does not attend a meeting in person or authorize another member to attend such meeting on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting on two consecutive occasions, or if such member fails to attend in person three-quarters of all meetings of the Committee held during any year, such member shall be deemed incapable of performing the duties of the Committee, and the board of directors may replace him/her in accordance with these Terms.
- Article 24 Meetings of the Committee shall be presided over by the chairman of the Committee, who may appoint another member to act on his/her behalf when he/she is unable to attend the meeting. If the chairman of the Committee neither performs his/her duties nor designates another member to act on his/her behalf, any member may report above situation to the board of directors, and the board of directors shall designate another member who is an independent non-executive director to fulfil the duties of the chairman.

## **CHAPTER 5 PROCEDURES OF MEETINGS**

- Article 25 Each member of the Committee shall have one vote. A resolution of the meeting shall be passed by a simple majority of the votes of all members. In the event that the meeting fails to reach a valid resolution due to abstention of any member, the relevant matter shall be considered directly by the board of directors.
- Article 26 Meetings of the Committee shall be held in the form of on-site meetings in general, and voting shall be made by a show of hands or by poll. Under special circumstances, on the premise that the members of the Committee are able to sufficiently express their opinions, with the consent of the chairman of the Committee, meetings may be held by means of correspondence. Where a meeting is conducted by means of correspondence, the Committee members shall submit to the board of directors their written opinions with respect to the matters to be discussed within the period prescribed by the notice of the meeting.
- Article 27 All items on the agenda shall be discussed during the meeting of the Committee, and the Committee members shall explicitly, independently and fully express their opinions based on their own judgment. In the case of any different opinions, such different opinions shall be stated in the meeting summaries to be submitted to the board of directors.
- Article 28 The Committee may invite directors, senior management members and relevant experts of the Company, external experts, scholars, intermediary agencies and other relevant persons to sit in on a meeting. Such persons being invited shall give explanation and elaboration on any issues as required by any Committee member.
- Article 29 Where necessary, the Committee may, upon approval by the board of directors, seek for professional advice of external professional personnel or organizations. Any reasonable cost so incurred shall be borne by the Company.
- Article 30 The convening procedures, voting methods and resolutions of meetings of the Committee shall comply with the relevant laws, regulations, the Articles and these Terms.
- Article 31 If a member of the Committee is interested in any matter being considered by the Committee, such member shall abstain from the discussion and voting of such matter.
- Article 32 All persons attending the Committee meetings shall keep all matters discussed at the meetings confidential and shall not disclose any such information without authorization.

## **CHAPTER 6 MINUTES AND SUMMARY OF THE COMMITTEE MEETINGS**

Article 33 Minutes shall be kept for all meetings of the Committee, which shall be prepared by the executive body of the Committee and shall contain the following information:

- (1) serial number, form, date, venue and name of the chairman of the meeting;
- (2) attendance and absence of members in person and by proxy;
- (3) name and title of each attendee;
- (4) agenda of the meeting;
- (5) main points made by the Committee members and other relevant attendees;
- (6) name of the person taking the minutes;
- (7) abstention of any interested member (if any), which shall be specified in the minutes or the relevant resolutions.

All Committee members present at the meeting shall sign the minutes.

Article 34 After each meeting of the Committee, the executive body of the Committee shall prepare a meeting summary recording the considerations and discussions of the meeting.

Copies of the meeting summary shall be submitted to the board of directors of the Company and sent to all Committee members, secretary to the board of directors, the human resources department of the Company and other relevant departments and persons.

Article 35 Meeting minutes, meeting summary, letters of proxy, written opinions of the members of the Committee and other materials of the meeting shall be kept by the office of the board of directors in accordance with the relevant requirements.



## **CHAPTER 7 SUPPLEMENTARY PROVISIONS**

- Article 36 Unless otherwise stated, terms used herein shall have the same meanings ascribed to them in the Articles.
- Article 37 For any matter not covered in these Terms, or in the event of any contradiction with any laws, administrative regulations, regulatory documents, and relevant regulatory requirements of the place where the Company is listed, such as the Hong Kong Listing Rules, or the Articles as amended under lawful procedures promulgated after these Terms become effective, such laws, administrative regulations and regulatory documents, and relevant regulatory requirements of the place where the Company is listed, such as the Hong Kong Listing Rules, and the Articles shall prevail. Amendments to these Terms shall be made forthwith and submitted to the board of directors for approval.
- Article 38 These Terms shall become effective and applicable from the date of consideration and approval by the board of directors.
- Article 39 The rights of interpretation and amendment of these Terms shall be vested in the board of directors of the Company.
- Article 40 These Terms are available in both Chinese and English. In case of discrepancy, the Chinese version shall prevail.