



## HANS ENERGY COMPANY LIMITED

### 漢思能源有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock code: 554)

## Nomination Committee: Terms of Reference

### 1. GENERAL

#### 1.1 Introduction

The board (the “**Board**”) of directors (the “**Director(s)**”) of Hans Energy Company Limited (the “**Company**”) has established a Nomination Committee (the “**Committee**”). These Terms of Reference of the Committee (“**Terms of Reference**”) was adopted by the Board to govern the operations of the Committee.

#### 1.2 Membership

- (i) The Committee will consist of members of the Board appointed by the Board and will comprise at least three Directors. The majority of members of the Committee must be independent non-executive Directors of the Company (“**INEDs**”) who shall meet the independence requirements from time to time as stipulated in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”).
- (ii) The Committee shall be chaired by the chairman of the Board or an INED.
- (iii) The appointment of the Committee members may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board. For the avoidance of doubts, the members may be removed from the Committee by the Board at its sole and absolute discretion.

- (iv) Save as otherwise appointed by the Committee, the secretary to the Committee shall be the company secretary of the Company (the “**Company Secretary**”), who will keep full minutes of the Committee meetings. In the absence of the Company Secretary, any member of the Committee or any such other person as may from time to time be nominated by the Company Secretary, subject to the approval of the Committee, shall act as the Committee secretary.
- (v) The composition of the Committee shall comply with the requirements of the Listing Rules as amended from time to time.

## **2. MEETINGS**

- 2.1 Unless otherwise agreed by all the Committee members, a meeting shall be convened by at least 7 days’ notice. If a Committee meeting is called by a shorter notice, it shall be deemed to have been duly called if it is so agreed by a majority of the Committee members, and a Committee member who attends such a meeting shall deem to agree to the shorter notice.
- 2.2 Notice of meeting may be given either orally or in writing by way of telephone, facsimile or other electronic means.
- 2.3 Unless otherwise agreed, notice of meeting shall specify the venue, time and date of the Committee meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the Committee members for the purposes of the meeting. Such agenda and other documents shall be provided to the Committee members in a timely manner and at least three days before the meeting.
- 2.4 The quorum for a meeting of Committee shall be two members, one of whom shall be an INED.
- 2.5 Members of the Committee shall attend the meeting in person or through electronic communications of, including but not limited to, telephone or video conference.
- 2.6 Resolutions of the Committee at any meetings shall be passed by a majority of votes.
- 2.7 The Committee will meet as and when required during the year, but no less than once every year.

2.8 Meetings of the Committee shall be summoned by the Committee or its chairman or the secretary of the Committee at the request of any member thereof.

2.9 The Committee shall report its action to the Board.

### **3. DUTIES AND RESPONSIBILITIES**

Shareholders of the Company have the ultimate responsibility to determine who should represent them on the Board. However, it is recognized that the Board has an important role in assisting this process. The Board is also responsible for reviewing the performance of the Board and that of Directors. The Committee assists the Board in this role. The duties and responsibilities of the Committee shall include, without limitation:

3.1 To review the structure, size and composition (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board and the time commitment required from INEDs at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

3.2 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. In identifying candidates, the Committee shall consider candidates on merit and their time and ability to contribute to the Board, with due regard for the benefits of diversity of the Board;

3.3 To assess the independence of INEDs and review the annual confirmation of independence provided by INEDs under the Listing Rules, and approve the disclosure of the results in the Company's Corporate Governance Report;

- 3.4 To make recommendations to the Board on matters in relation to the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer, taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future;
- 3.5 To conduct appropriate inquiries into the backgrounds and qualifications of the Director nominees. The Committee will advise as to each proposed nominee's appropriateness for service on the Board;
- 3.6 To assist in the evaluation of the performance of each Director with reference to the effectiveness of the Board before recommending to the Board his or her nomination for an additional term as Director;
- 3.7 To review, at the request of the Board, the composition of each committee and to present recommendations for committee memberships to the Board;
- 3.8 To gather and review information for its annual evaluation of the chief executive officer, to be presented by the Committee to the Board for its discussion and review;
- 3.9 To consider issues involving possible conflicts of interest of Directors and provide recommendations to the Board;
- 3.10 To review and discuss with the Board and senior executives, management's plans for professional development and corporate succession plans;
- 3.11 To formulate and review the policy of the diversity of the Board (the "**Board Diversity Policy**"), as appropriate; to develop and review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and to monitor the progress on achieving the objectives; and make disclosure of its review results in the Corporate Governance Report as required under the Listing Rules annually;
- 3.12 To formulate and review, as appropriate, the policy for the nomination of Directors, the nomination procedures and the process and criteria adopted by the Committee to select and recommend candidates for directorship;
- 3.13 To review the Corporate Governance Report in the Company's annual report for the Board's approval;

3.14 To establish and make recommendation to the Board the mechanisms to ensure independent views and input are available to the Board which shall review the implementation and effectiveness of such mechanisms on an annual basis;

3.15 To periodically review and reassess the adequacy of these Terms of Reference and to recommend any proposed changes in circumstances and changes in regulatory requirements, including those under the Listing Rules to the Board for approval; and

3.16 To perform tasks as assigned by the Board from time to time.

#### **4. MINUTES**

4.1 Minutes of the Committee meetings should be kept by the secretary of the Committee and should be open for inspection at any reasonable time on reasonable notice by any Director.

4.2 Minutes of Committee meetings shall record in sufficient detail the matters considered by the Committee members and decisions reached, including any concerns raised by the Committee members and dissenting views expressed. Draft and final versions of minutes of the Committee meetings shall be sent to all members of the Committee for their comment and records respectively, in both cases within a reasonable time after the meeting.

#### **5. REPORTING PROCEDURES**

5.1 The Committee shall report to the Board the findings and recommendations after each meeting of the Committee, unless there are legal or regulatory restrictions on its ability to do so. Any action taken requires unanimous consent; in absence of such unanimity, the disputed matter will be referred to the Board for determination.

- 5.2 Where the Board proposes a resolution to elect an individual as an INED 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: (i) the process used for identifying the individual and the reasons that the Board believes the individual should be elected and why it considers the individual to be independent; (ii) if the proposed INEDs will be holding their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board; (iii) to determine why an INED who has served more than nine (9) years is still independent and should be re-elected; (iv) the perspectives, skills and experience that the individual can bring to the Board; and (v) how the individual contributes to diversity of the Board.
- 5.3 The Committee shall have a policy concerning diversity of Board members and the nomination of Directors, and should disclose the policy or a summary of the policy in the Corporate Governance Report.
- 5.4 The secretary of the Committee shall circulate all minutes of the meetings and written resolutions of the Committee to all members of the Board upon request.

## **6. ANNUAL GENERAL MEETING**

The chairman of the Committee or in his/her absence, another Committee member or failing this, the duly appointed delegate of the chairman, shall attend the Company's annual general meeting to answer shareholders' questions on the Committee activities.

## **7. POWERS OF THE BOARD**

The Board may, subject to compliance with the articles of association of the Company and the Listing Rules, amend, supplement and revoke these Terms of Reference.

The power to interpret these Terms of Reference shall vest in the Board.

## **8. COMMITTEE PERFORMANCE**

The Board will from time to time evaluate the performance of the Committee to determine whether it is functioning effectively by reference to current best practice.

## **9. AUTHORITY**

- 9.1 The Committee is authorised by the Board to act within these Terms of Reference. It is authorised to seek any information it requires from any employee of the Company and all employees are directed to co-operate with any request made by the Committee.
- 9.2 The Committee shall be provided with sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice at the Company's expense but subject to prior discussion with the Board on costs to perform its responsibilities.

## **10. AVAILABILITY OF THIS TERMS OF REFERENCE**

The Committee should make available these Terms of Reference to the public, explaining its role and the authority delegated to it by the Board, by including them on the Stock Exchange's website and the Company's website.

**Second amended on 20 October 2022**

*In case of any discrepancies or inconsistency between the English version and Chinese version, the English version prevails.*