



**雲能國際**

YUNNAN ENERGY INTERNATIONAL

**Yunnan Energy International Co. Limited**

雲能國際股份有限公司\*

*(Incorporated in Bermuda with limited liability)*

(the “**Company**”)

**TERMS OF REFERENCE  
OF**

**NOMINATION COMMITTEE**

*(amended by the Board on 4 March 2019)*

**1. CONSTITUTION**

The Nomination Committee (the “**NC**”) has been established by a resolution of the Board (the “**Board**”) of directors (the “**Directors**”) of the Company (together with its subsidiaries, the “**Group**”) passed on 28 May 2004.

**2. ROLES AND FUNCTIONS**

The NC’s roles and functions shall include the following:-

**2.1 Board compositions and diversity**

- (i) to review the Board’s structure, size and composition (including the balance of skills, knowledge, experience and diversity) at least once annually, and to make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy;
- (ii) to review the policy on Board diversity (the “**Board Diversity Policy**”), including the measureable objectives for implementing such policy, and progress on achieving those objectives; and to make disclosure of its review results in the corporate governance report of the Company.

**2.2 Nomination policy and evaluation of Directors’ performances**

- (i) to establish, review and implement the policy for the nomination of Directors and to make disclosure of the policy in the corporate governance report of the Company;
- (ii) to identify individuals suitably qualified to become members of the Board, and make recommendations to the Board on the selection of individuals nominated for directorships, having due regard to the Board Diversity Policy and based on merit against the selection criteria as well as the potential contributions that the individual will bring to the Board;

- (iii) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors (in particular the chairman of the Board and chief executive);
- (iv) to review the contributions and performances (e.g. attendance, preparedness and participation) of the Directors; where a Director has multiple board representations, to decide whether the Director is able to and has been adequately carrying out his or her duties as Director;
- (v) to assess the independence of the independent non-executive Directors and review the independent non-executive Directors' annual confirmations of their independence;
- (vi) 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:-
  - (a) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;
  - (b) if the proposed independent non-executive Director 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;
  - (c) the perspectives, skills and experience that the individual can bring to the Board; and
  - (d) how the individual contributes to diversity of the Board.

### 2.3 Evaluation of Board's performance and effectiveness

- (i) to establish procedures for evaluation of the Board's performance and assess the effectiveness of the Board as a whole, to propose objective performance criteria, as approved by the Board that allows comparison with its industry peers, and to address on how the Board has enhanced long term shareholders' value;
- (ii) to identify gaps in the mix of skills, experience and other qualities required in an effective Board and nominate or recommend suitable candidate(s) to fill these gaps; and
- (iii) to ensure that all Board appointees undergo an appropriate induction programme.

## 3. MEMBERSHIP

- 3.1 The members of the NC shall be appointed by the Board from amongst the Directors. The NC shall comprise at least three (3) members, a majority of whom shall be independent non-executive Directors. At least one (1) member of the NC should have broad business experience, business network, knowledge of the procedure of the Group as well as commitment and available

time, and where necessary, professional advice may be obtained internally or from appropriate external advisers.

- 3.2 The chairman of the NC shall be elected by the Board and shall be the chairman of the Board or an independent non-executive Director. The members may determine the period for which the chairman of the NC is to hold office.
- 3.3 If a member, for any reason, ceases to be a member of the NC, the Board shall within three (3) months of that event, appoint a new member having such qualifications so that the number of members does not fall below three (3).
- 3.4 A member who wishes to retire or resign from the NC shall notify the Board in writing, giving at least one (1) month's notice.

#### **4. ADMINISTRATION**

##### **4.1 Frequency and proceedings of meetings**

- (i) The meetings of the NC may be conducted by means of telephone conferencing or similar methods of simultaneous communication by electronic or telegraphic means whereby all persons participating in the meeting are capable of hearing each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting provided that all decisions made are confirmed in writing by all members who participated in the said telecommunication discussion.
- (ii) The NC shall hold at least one (1) meeting every year (or any other number requested by other regulatory organisations applicable to the Company). The NC meeting shall be convened and chaired by the Chairman. Additional meetings may be called, when necessary, by any member of the NC or the secretary of the NC.
- (iii) The chairman of the NC shall preside at each meeting. If any meeting the chairman of the NC or the nominated chairman of meeting is not present within 10 minutes after the time appointed for holding the meeting, the members present may choose another member of the NC to act as the chairman of the meeting.
- (iv) The NC shall have full discretion with regard to the calling of the meetings and the proceedings thereat and may invite any Director or management or professionals, consulting organisation or senior management officers to their meetings or to seek independent professional advice to perform its responsibilities. The Company shall pay any fee reasonably incurred in the invitation of professionals.
- (v) The Company Secretary (or his/her delegate) shall be the secretary of the NC. Minutes of the meeting of the NC shall be prepared by the Company Secretary in first draft and be circulated to all the NC's members for comment within a reasonable time after each meeting. Final version of the minutes shall be confirmed by the chairman of the meeting and circulated to all members of the NC for their records. The

minutes are to be signed by the chairman of the meeting or by the chairman of the next succeeding meeting.

The minutes of meetings and all written resolutions of the NC shall be kept by the secretary of the NC. Any Director can review the minutes with reasonable notice and within reasonable time.

- (vi) The meetings and proceedings of the NC, unless otherwise mentioned in these terms of reference, shall be governed by the provisions of the Articles of Association of the Company.

#### 4.2 Notice

The notice of each meeting of the NC, confirming the venue, time date and agenda and providing all relevant documents, shall other than under exceptional circumstances, be forwarded to each member of the NC not less than seven (7) business days prior to the date of the meeting. All members of the NC may, however, unanimously consent to shorter notice whereupon the requisite period shall be waived. Any notice shall not be less than seven (7) business days unless with the unanimous consent of all the NC members.

#### 4.3 Quorum

The quorum of the NC shall be two (2) members, including at least one independent non-executive Director.

#### 4.4 Voting

Each member present at the meeting shall have one vote. All matters to be resolved at any meeting of the NC shall be decided by a majority of votes of the NC members present and voting (the decision of the NC shall at all times exclude the vote, approval or recommendation of any member who has a conflict of interest in the subject matter under consideration). In the event of a deadlock, the chairman of the meeting shall have a casting vote.

#### 4.5 Written resolutions

A resolution in writing signed by all the members of the NC shall be as valid and effectual as if it had been passed at a meeting of the NC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members. The expressions "in writing" and signed include approvals by facsimile, telex, cable or telegram.

#### 4.6 Reporting procedures

The chairman of the NC shall report on the proceedings of the NC to the Board by way of submission of minutes of the NC meetings or by such other mode as the chairman shall in his/her discretion deems fit.

The NC should provide the Board with information relating to the corporate structuring work required by the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the Stock Exchange of Hong Kong Limited ("**SEHK**") or any other applicable regulatory organisation.

#### 4.7 Disclosure of Interest

Any member of the NC shall disclose his or her personal interest in any matter relating to the decisions of NC, or any potential conflict of interests incurred by NC's decision. Members who possess personal interest of involved in those potential conflict of interests shall abstain from voting, participating or discussing those resolution determined by the NC, or submit his/her resignation upon the Board's requests.

#### 4.8 Annual General Meeting

The chairman of the NC (or in his/her presence, another member (who must be independent non-executive Director) of the NC) shall attend the annual general meeting of the Company so as to answer shareholders' questions regarding the NC's activities.

### **5. AVAILABILITY AND UPDATE OF TERMS OF REFERENCE**

5.1 These terms of reference have been drawn up in compliance with the applicable statutory and regulatory requirements of Singapore and Hong Kong for the time being in force, in particular, the continuing listing rules of SGX-ST and SEHK.

5.2 These terms of reference shall be made available on the websites of the Company, SGX-ST and SEHK. On an annual basis, the NC shall review and re-assess the adequacy of these terms of reference in light of changes in circumstances and applicable amendments to the regulatory requirements under the listing rules of SGX-ST and SEHK, and any required revisions shall be approved by the Board. Any amendment, revision or deletion of these terms of reference shall not affect the validity of resolutions or actions taken by NC before such amendment, revision or deletion.

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

*\* for identification purpose only*