



CHANGGANG DUNXIN ENTERPRISE COMPANY LIMITED

長港敦信實業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2229)

Terms of Reference of the Nomination Committee

Approved and adopted on 15 May 2013 and Revised on 26 October 2013

1. Establishment

- 1.1 The Nomination Committee was established pursuant to a resolution passed by the Board at its meeting held on 15 May 2013.
- 1.2 The terms of reference of the Nomination Committee are based on the terms of reference contained in the Code set out in Appendix 14 of the Listing Rules.

2. Membership

- 2.1 Members of the Nomination Committee shall be appointed by the Board from amongst the members of the Board and shall consist of not less than three members and a majority of which should be independent non-executive Directors.
- 2.2 The Chairman of the Nomination Committee shall be the chairman of the Board or an independent non-executive Director.
- 2.3 The Company Secretary shall be the secretary of the Nomination Committee. The Nomination Committee may, from time to time, appoint any other person with the appropriate qualifications and relevant experience as secretary of the Nomination Committee.

3. Proceedings of the Nomination Committee

3.1 Notice:

- (a) Unless otherwise agreed by all the members of the Nomination Committee, a meeting shall be called by at least seven days' notice.

- (b) A member of the Nomination Committee may and, on the request of another member of the Nomination Committee, the secretary to the Nomination Committee shall, at any time summon a Nomination Committee meeting. Notice shall be given to each member of the Nomination Committee in person orally or by telephone or in writing sent by post or by email or by facsimile transmission at the telephone or facsimile number or address or email address from time to time notified to the secretary by such member of the Nomination Committee or in such other manner as the members of the Nomination Committee may from time to time determine.
- (c) Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.
- (d) Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Nomination Committee for the purposes of the meeting.

3.2 Quorum: The quorum of the meeting of the Nomination Committee shall be two members of the Nomination Committee and a majority of which shall be the independent non-executive Directors.

3.3 Meetings of the Nomination Committee shall be held at least once every year or more frequently if circumstances require.

3.4 Only members of the Nomination Committee have the right to attend meetings of the Nomination Committee. The Nomination Committee however may, as it deems necessary, invite such other persons to its meetings.

4. Written Resolutions

4.1 Written resolutions may be passed by all the members of the Nomination Committee in writing.

5. Overriding Principles

5.1 Members of the Nomination Committee should assist the Board in discharging its oversight responsibilities. The Nomination Committee will oversee the nomination of Directors to the Board to ensure that all such nominations fair and transparent.

6. Alternate Nomination Committee Member

6.1 A member of the Nomination Committee may not appoint any alternate.

7. Authority of the Nomination Committee

7.1 The Nomination Committee may exercise the following powers:

- (a) to undertake interviews with prospective candidates for nomination; and
- (b) to make recommendations to the Board in revising its terms of reference from time to time; and
- (c) to investigate any activity within its terms of reference and the Nomination Committee is authorised to seek any information it requires from any employee of the Group and all employees of the Group are directed to co-operate with any request made by the Nomination Committee.

7.2 The Nomination Committee should be provided with sufficient resources to discharge its duties. Where necessary, the Nomination Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

8. Duties

8.1 The duties of the Nomination Committee shall be:

- (a) to review the structure, size, composition and diversity (including but without limitation, gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service,) 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 identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships based on merit and having due regard to the benefits of diversity on the Board;
- (c) to assess the independence of independent non-executive Directors, having regard to the requirements under the Listing Rules;
- (d) 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 of the Company taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future;
- (e) where the Board, based on a Nomination Committee recommendation, proposes a resolution to elect an individual as an independent non-executive Director at any general meeting, the Nomination Committee should review and settle the Board's explanation, as set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting, as to why the Board believes he or she should be elected and the reasons why the Board consider him or her to be independent;

- (f) to review and monitor the training and continuous professional development of Directors;
- (g) to review regularly the contribution required from a Director to perform his/her responsibilities, and whether he/she is spending sufficient time in performing such responsibilities;
- (h) to ensure the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business, and in that regard, the Nomination Committee should assist the Board to establish the Board Diversity Policy concerning diversity of Board members, and such policy or a summary of such policy (if any) shall be disclosed in the Company's corporate governance report of the annual report;
- (i) to ensure that on appointment to the Board, the Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside meetings of the Board; and
- (j) to review the Board Diversity Policy on a regular basis; make recommendations to the Board on measurable objectives for achieving diversity of the Board and monitor the progress on achieving the objectives.

9. Minutes and Records

- 9.1 Full minutes of the meetings of the Nomination Committee and all written resolutions of the Nomination Committee should be kept by the secretary of the Nomination Committee.
- 9.2 Minutes of meetings of the Nomination Committee should record in sufficient detail the matters considered by the Nomination Committee and decisions reached, including any concerns raised by any Director or member of the Nomination Committee or dissenting views expressed.
- 9.3 The secretary of the Nomination Committee shall circulate the draft and final versions of minutes of the meeting of the Nomination Committee or, as the case may be, written resolutions of the Nomination Committee to all members of the Nomination Committee for their comment and records respectively within a reasonable time after the meeting or before the passing of the written resolutions.
- 9.4 The secretary of the Nomination Committee shall keep records of all meetings of the Nomination Committee held during each financial year of the Company and records of individual attendance of members of the Nomination Committee, on a named basis, at meetings held during that financial year.

10. Annual General Meeting of the Company

10.1 The Chairman of the Nomination Committee or, in his/her absence, another member (who must be an independent non-executive Director) of the Nomination Committee shall attend the Company's annual general meeting and be prepared to respond to shareholders' questions on the Nomination Committee's activities and their responsibilities.

11. Continuing Application of the Articles of Association of the Company

11.1 The articles of association of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and not inconsistent with the provisions of these terms of reference shall apply, mutatis mutandis, to regulate the meetings and proceedings of the Nomination Committee.

12. Reporting Procedures

12.1 The Nomination Committee shall report to the Board on its decisions and recommendations.

13. Definitions

13.1 In these terms of reference, the following words or expressions shall have the following meanings unless the context requires otherwise:

“Board”	the board of Directors;
“Board Diversity Policy”	the diversity policy adopted and approved by the Board for the time being and from time to time;
“Code”	Corporate Governance Code set out in Appendix 14 of the Listing Rules;
“Company”	Changgang Dunxin Enterprise Company Limited;
“Company Secretary”	the company secretary of the Company for the time being and from time to time;
“Director”	director of the Company for the time being and from time to time, and “Directors” shall be construed accordingly;
“Group”	the Company and its subsidiaries for the time being and from time to time;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time); and
“Nomination Committee”	the nomination committee established by resolution of the Board in accordance with paragraph 1.1 of these terms of reference.