



上海匯舸環保科技集團股份有限公司  
**CONTIOCEAN ENVIRONMENT TECH GROUP CO., LTD.**

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

**(Stock Code: 2613)**

**TERMS OF REFERENCE OF THE NOMINATION COMMITTEE OF  
THE BOARD OF DIRECTORS**

**Chapter 1 General Provisions**

- Article 1 Pursuant to the Company Law of the People's Republic of China (the "**Company Law**") , the Articles of Association of ContiOcean Environment Tech Group Co., Ltd. (the "**Articles of Association**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**") and other relevant regulations, ContiOcean Environment Tech Group Co., Ltd. (the "**Company**") has set up a nomination committee (the "**Nomination Committee**") under the board of directors, and hereby formulated these terms of reference , in an effort to optimize the procedures for appointment of the directors and senior management, rationalize the composition of the board of directors, and enhance corporate governance of the Company.
- Article 2 The Nomination Committee is a specific committee set up by the board of directors. Its main responsibilities are to select candidates for directors and senior management of the Company, determine the selection criteria and procedures therefor, and give recommendations thereon.

**Chapter 2 Composition**

- Article 3 The Nomination Committee shall comprise at least three directors, the majority of whom shall be independent non-executive directors.
- Article 4 Members of the Nomination Committee shall be nominated by the chairman/ chairlady of the board of directors, more than half of the independent non-executive directors or one-third of all directors, and shall be elected by the board of directors.
- Article 5 The Nomination Committee shall have a chairperson (the "**Chairperson**") to be served by the chairman/chairlady of the board of directors or an independent non-executive director. The chairperson shall preside over the work of the Nomination Committee and shall be appointed by the board of directors.

Article 6           The term of office of the Nomination Committee shall be the same as that of the board of directors. Each member of the Nomination Committee shall be eligible for re-election upon expiry of his or her term of office. During such period, if any member of the Nomination Committee ceases to be a director of the Company, his or her membership in the Nomination Committee shall lapse automatically, and the vacancy shall be filled by the person elected by the board of directors according to these rules.

### **Chapter 3 Duties and Authorities**

Article 7           The Nomination Committee shall have the following primary duties and authorities:

- (I)     to review the structure, size and composition (including the skills, knowledge, experience and diversity) of the board of directors at least once a year, to assist the board of directors in maintaining the board skills matrix and to make recommendations on any proposed changes to the board of directors to implement the Company's strategies;
- (II)    to extensively identify individuals qualified to serve as directors, and select and nominate relevant individuals to serve as directors, or advise the board of directors on such nomination;
- (III)   to review the independence of the independent non-executive directors;
- (IV)   to make recommendations to the board of directors on appointment or reappointment of directors as well as the succession plan of directors, in particular that of the chairman/chairlady of the board of directors and the chief executive officer;
- (V)     to assist the Company in regularly assessing the performance of the board of directors;
- (VI)    to review the diversity policy of the board of directors (the “**Board Diversity Policy**”) as well as any measurable objectives for implementing such Board Diversity Policy as may be adopted by the board of directors from time to time and the progress on achieving such objectives, and to disclose the diversity policy or the highlights thereof in the corporate governance report;

- (VII) where the board of directors proposes to put forward a resolution to elect an individual as an independent non-executive director at the general meeting, it shall set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting the following details: (1) the process used for identifying the individual and why the board of directors believes the individual should be elected and the reasons why it considers the individual to be independent; (2) if the proposed independent non-executive director will be holding his or her seventh (or more) listed company directorship, why the board of directors believes the individual would still be able to devote sufficient time to the board of directors; (3) the views, perspectives, skills and experience that the individual can bring to the board of directors; and (4) how the individual contributes to the diversity of the board of directors;
- (VIII) to review the implementation and effectiveness of the corporate mechanism(s) to ensure independent views and opinions are available to the board of directors;
- (IX) to report its decisions or suggestions to the board of directors, except where it is prohibited to do so under laws or regulatory requirements;
- (X) other requirements on the duties and authorities of the Nomination Committee according to the Hong Kong Listing Rules, as amended from time to time; and
- (XI) other duties and powers authorized by the board of directors.

Article 8            The Nomination Committee shall be accountable to the board of directors. The proposals provided by the Nomination Committee shall be submitted to the board of directors for consideration and approval. In the absence of sufficient reasons or reliable evidence, controlling shareholders shall give full respect to the recommendations provided by the Nomination Committee, otherwise they may not propose an alternate candidate for directors and senior management.

Article 9            The Nomination Committee is authorized by the board of directors to obtain any necessary information from the employees within the scope of its duties, to perform its duties. The Nomination Committee shall be provided with sufficient resources to perform its duties.

Article 10           The Chairperson or, in his/her absence, one of the other members of the Nomination Committee (who must be an independent non-executive director) should attend the annual general meetings of the Company and handle the shareholders' enquiry on the activities and responsibilities related to the Nomination Committee.

## **Chapter 4 Decision-making Process**

Article 11 In accordance with the requirements under relevant laws and regulations, the Hong Kong Listing Rules and the Articles of Association, and in view of the actual condition of the Company, the Nomination Committee shall analyze the selection criteria, selection procedures and terms of office of directors and senior management of the Company to form a resolution and submit it to the board of directors for approval upon filing, and, if approved, implement the same accordingly.

Article 12 The selection procedures of directors and senior management are as follows:

- (I) the Nomination Committee shall actively communicate with the relevant departments of the Company to study the demand of the Company for new directors and senior management and to produce the result in writing;
- (II) the Nomination Committee may extensively identify candidates for directors and senior management within the Company and its controlling (investee) enterprises as well as in the labor market;
- (III) the Nomination Committee shall gather information about the occupation, education background, job title, detailed information in relation to the work experience and all the part-time positions of the preliminary proposed candidates, and to formulate written materials thereon;
- (IV) the nominee shall not be deemed as the candidate for director or senior management unless his or her consent for nomination is obtained;
- (V) the Nomination Committee shall convene a Nomination Committee meeting to review the qualifications of the candidates in accordance with the requirements for directors and senior management;
- (VI) the Nomination Committee shall make suggestion to the board of directors regarding the candidates for the director and senior management position and submit relevant information to the board of directors one to two months prior to the election of new directors and appointment of new senior management;
- (VII) the Nomination Committee shall carry out other follow-up work according to the decision of and feedback from the board of directors.

## **Chapter 5 Rules of Procedures**

- Article 13      Members of the Nomination Committee can convene a meeting anytime when it is necessary.
- Article 14      A notice shall be given to all members three days before the date of a meeting of the Nomination Committee. The meeting shall be presided over by the Chairperson, and in case the Chairperson is unable to attend, he or she may appoint another member of the Nomination Committee (the member should be an independent non-executive director) to preside over the meeting on his or her behalf. Such notice may be waived with the unanimous consent of all members. Notwithstanding of the notice period, the attendance of the member of the Nomination Committee at the meeting would be deemed as waving the required notice period.
- Article 15      The quorum of a meeting of the Nomination Committee shall be not less than two-thirds of the members. Each member shall have one vote. A resolution of the meeting must be passed by more than half of all the members of the Nomination Committee.
- Article 16      A meeting can be attended in person or via telephone or video conferencing. Members of the Nomination Committee can attend the meeting via telephone or any similar communication device (all persons attending such meeting should be able to hear from such member via such communication device). Resolutions of the Nomination Committee, if to be made at a meeting, shall be passed by more than half of its members present at such meeting.
- Article 17      The resolutions passed and signed by all members of Nomination Committee are also valid, and their validity shall be the same as any resolution passed at a meeting duly held by the Nomination Committee.
- Article 18      The Nomination Committee may invite directors, supervisors and other senior management of the Company to attend its meetings if necessary, while only members of the Nomination Committee can vote at the meetings of the Nomination Committee.
- Article 19      The Nomination Committee may, if necessary, engage an intermediary to provide professional advice on its decision-making at the cost of the Company.
- Article 20      The procedures for convening of a meeting of the Nomination Committee, its voting methods and resolutions to be passed at such meeting must comply with the provisions of relevant laws, regulations, the Hong Kong Listing Rules, the Articles of Association and these terms of reference.

- Article 21      The Nomination Committee shall keep minutes of the meetings. Members present at the meetings shall sign the minutes of the meetings that shall be kept by the secretary of the board of directors of the Company or the secretary of the Nomination Committee for the directors to review. The draft and the final version of the minutes shall be delivered to all members of the Nomination Committee within a reasonable period of time after the meeting. The draft is for expressing opinion among the members and the final version is for record keeping.
- Article 22      Resolutions passed and voting results at a meeting of the Nomination Committee shall be reported in writing to the board of directors of the Company.
- Article 23      Members of the Nomination Committee present at a meeting shall keep confidential all matters discussed at the meeting and shall not disclose such information without authorization.

#### **Chapter 6 Supplementary Provisions**

- Article 24      After consideration and approval by the board of directors, these terms of reference shall come into effect and be implemented upon the initial public offering of the H shares of the Company and from the date of its listing on The Stock Exchange of Hong Kong Limited.
- Article 25      If the relevant provisions of these terms of reference contravene with the national laws, regulations, rules, the Hong Kong Listing Rules, other securities regulatory requirements of the places where the shares of the Company are listed or the Articles of Association as enacted in the future, such relevant national laws, regulations, rules, the Hong Kong Listing Rules, other securities regulatory requirements of the places where the shares of the Company are listed and the Articles of Association shall prevail.