

In the event that there is any discrepancy or inconsistency between the English version and the Chinese version of these terms of reference, the English version shall prevail.

HUAYU EXPRESSWAY GROUP LIMITED

華昱高速集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1823)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

1 CONSTITUTION AND OBJECTIVE

The nomination committee (the “**Committee**”) has been established pursuant to a resolution passed by the board (the “**Board**”) of the directors (the “**Directors**”) of Huayu Expressway Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) at its meeting held on 30 November 2009. The Committee is a sub-committee of the Board to which the Board has granted authority and delegated consideration of the matters set out in these terms of reference mainly to assist the Board in discharging its oversight responsibilities. The Committee will oversee the nomination of Directors to ensure that all such nominations are in accordance with the Company’s policy and are fair and transparent.

2 MEMBERSHIP

- 2.1 Members of the Committee (the “**Members**”, and each a “**Member**”) shall be appointed by the Board from amongst the Directors and shall consist of not less than three Members, a majority of whom shall be independent non-executive Directors.
- 2.2 The Board shall appoint a Member as the chairman of the Committee (the “**Chairman**”), who must be the chairman of the Board or an independent non-executive Director. The Chairman or in his/her absence, another Member or failing this, his/her duly appointed delegate, shall attend and be available to answer shareholders’ questions at the annual general meeting of the Company on Committee’s activities.
- 2.3 The appointment of the Members may be revoked, or additional Members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee.
- 2.4 The secretary of the Company shall act as the secretary of the Committee.
- 2.5 The composition of the Committee shall comply with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as amended from time to time.

3 MEETINGS

- 3.1 The Committee shall meet at least once every year. The Chairman may convene additional meetings at his/her discretion.
- 3.2 Unless otherwise agreed by all the Members, a meeting shall be convened by given the Members at least seven (7) days' prior notice. The Committee meeting papers should be circulated to all Members three (3) days before the intended date of a Committee meeting by hand, by post or in electronic forms. Irrespective of the length of notice given, attendance of a Committee meeting by a Member shall be deemed waiver of the requisite length of notice by that Member.
- 3.3 A Member or the secretary of the Company may at any time summon a Committee meeting.
- 3.4 Notice shall be given to each Member orally or in writing or by telephone or by facsimile transmission or email at numbers or addresses from time to time notified to the secretary of the Company by such Member or in such other manner as the Members may from time to time determine.
- 3.5 Any notice given orally shall be followed by confirmation in writing provided by the relevant Member before the meeting.
- 3.6 The quorum of the Committee meeting shall be two Members. Decisions shall be determined by simple majority of votes of the Members present and, in the event of a tie, the Chairman shall have the casting vote.
- 3.7 Members may participate in the Committee meetings by telephone or video conference or electronic or other communications facilities provided that each Member can hear and be heard by all the other Members throughout the meeting and such participation shall constitute presence for purposes of the quorum as set out in paragraph 3.6 above.
- 3.8 Members present in a Committee meeting may elect any one Member to chair the meeting provided that the Chairman is not present within half an hour from the time of the intended Committee meeting to be convened and held.
- 3.9 The secretary of the Company shall circulate the draft minutes of the meetings of the Committee to all Members for their comment within a reasonable time. Final minutes and reports of the meetings and all written resolutions of the Committee shall be sent to all Members for their records within a reasonable time after the meetings.
- 3.10 Resolutions may be passed and signed by all Members in writing in lieu of convening a Committee meeting and such resolutions shall be as valid and effectual as if they had been passed at a meeting of the Committee duly convened and held.
- 3.11 Full minutes of the meetings of the Committee and written resolutions of the Committee should be kept by the secretary of the Committee and shall be open for inspection at any reasonable time on reasonable notice by any Director.

- 3.12 At the invitation of the Committee, other Directors, external advisers and other person may attend all or part of meeting of the Committee. However, only Members are entitled to vote at the meetings.

4 RESPONSIBILITIES

The responsibilities of the Committee shall mainly include:

- 4.1 review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy.
- 4.2 develop and maintain a nomination policy for the Board (including the nomination procedures and the process and criteria adopted by the Committee to evaluate, select and recommend candidates to become a Director) with its main objective to ensure the Board and its committees consist of Directors with the appropriate balance of skills, experience, diversity and knowledge of the Group to enable it to discharge its duties effectively and to ensure the Board's continuity and appropriate leadership at Board level, and to monitor and review the nomination policy regularly to ensure that it remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice and disclose in the Company's corporate governance report the policy and the progress towards achieving those objectives. The Committee should ensure that the selection process is transparent and fair, and that it considers a wide range of candidates who are outside of the Board's circle and in accordance with the Company's diversity policy.
- 4.3 develop and maintain a diversity policy for the Board, to review regularly the implementation of the measurable objectives under the policy, and to disclose the diversity policy (or a summary thereof), the measurable objectives and the progress towards achieving those objectives in the Company's corporate governance report.
- 4.4 identify individuals suitably qualified to become Directors, assess the suitability and qualification of the candidates for directorship (including the potential contributions that the individual can bring to the Board in terms of qualifications, skills, experiences, independence and diversity of perspectives and how the individual can promote the diversity of the Board), report to the Board on the assessment results, and select or make recommendations to the Board on the selection of individuals nominated for directorships and the Board will make the final decision.
- 4.5 assess the independence of independent non-executive Directors and supervise the enforcement of the policies and procedures set out in the evaluation mechanism on Board independence of the Company (the "**Mechanism**") and responsible for the interpretation, monitoring and reviewing the implementation and effectiveness of all the policies and procedures set out in the Mechanism periodically.

- 4.6 assess whether and why such individuals can devote sufficient time to the Board if he/she will be holding his/her seventh (or more) listed company directorship when identifying, nominating and electing individuals as independent non-executive Directors.
- 4.7 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 officer of the Company, and ensure such succession planning is discussed and reviewed by the Board at least once annually.

5 AUTHORITIES AND DUTIES

- 5.1 The Committee has the authority delegated to it from the Board to deal with the matters as set out in these terms of reference. The Committee may review or consider matters outside these terms of reference if required to do so by the Board.
- 5.2 The Committee may delegate to the Chairman authority to make decisions on matters which may need attention between Committee meetings, with such decisions to be reported or ratified in the next meeting of the Committee.
- 5.3 The Committee shall be provided with sufficient resources to perform its duties as it may consider appropriate. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its duties.
- 5.4 The Committee shall have access to any information, record or report from any employee of the Group in order to perform its duties and shall have the right to call or request any employee to attend Committee meetings and answer questions as and when required. All employees are directed to cooperate with the Committee.
- 5.5 The Committee shall review its own performance, constitution and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.

6 REPORTING PROCEDURES

The Committee shall report to the Board formally on a regular basis and present a report of the Committee to the Board at least once annually. At the next Board meeting following a meeting of the Committee, the Chairman shall report to the Board on Committee's findings and recommendations, and any suspected frauds and irregularities, failures of internal control or suspected infringements of any applicable laws, rules and regulations which come to its attention and are of sufficient importance to warrant the attention of the Board.

7 CONTINUING APPLICATION OF THE ARTICLES OF ASSOCIATION

The amended and restated articles of association of the Company (the "**Articles of Association**") regulating the meetings and proceedings of the Directors so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

8 POWERS OF THE BOARD

The Board may, subject to compliance with the Articles of Association and the Listing Rules (including the Corporate Governance Code in Appendix 14 thereto), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.

Revised and adopted by the Board on 11 November 2022.