



IRICO

彩虹集團新能源股份有限公司

IRICO GROUP NEW ENERGY COMPANY LIMITED*

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

(Stock Code: 0438)

**Terms of Reference and Organizational Rules of the Nomination
Committee of the Board of Directors of
IRICO GROUP NEW ENERGY COMPANY LIMITED**

- Article 1** In order to improve a director appointment process and system and facilitate an orderly succession plan for directors of IRICO Group New Energy Company Limited* (the “**Company**”), these Terms of Reference and Organizational Rules (the “**Organizational Rules**”) for the Nomination Committee (the “**Committee**”) of the Board of Directors of the Company are formulated in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Rules Governing the Listing of Securities (the “**Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Articles of Association of the Company for compliance.
- The Committee shall be chaired by the Chairman of the Board or an independent non-executive director, the majority of which shall be independent non-executive directors. The Committee shall appoint at least one director of a different gender.
- Article 2** The Company shall, in accordance with the requirements of the Committee, provide adequate resources for the Committee to fulfill its responsibilities.
- Article 3** Terms of reference of the Committee shall be in accordance with the provisions of the Organizational Rules, unless otherwise provided by law, the Listing Rules or the Articles of Association.
- Article 4** The Company shall put the content of the Organizational Rules at the websites of the Company and the Stock Exchange, to prepare for the query. The aim is to disclose the terms of reference of the Committee and to clearly identify and explain the Committee’s role and powers granted by the Board of Directors.

Article 5

Under the authorization of the Board of Directors, the terms of reference of the Committee shall be as follows:

- (A) to review the structure, size and composition (including skills, knowledge and experience) of the Board of Directors at least annually, assist the Board of Directors in maintaining a board skills matrix and make recommendations on the proposed changes to the Board of Directors in order to cope with the Company's corporate strategy;
- (B) to identify individuals suitably qualified to become board members, and to select and nominate relevant individuals as directors or provide advice thereabout to the Board;
- (C) to assess the independence of the independent non-executive directors;
- (D) to make recommendations to the Board on the appointment or re-appointment as well as the succession plan of directors (in particular the Chairman and general manager);
- (E) to support the issuer's regular evaluation of the Board of Directors' performance;
- (F) to assess each director's time commitment and contribution to the Board of Directors, as well as their ability to effectively fulfill their duties, taking into account the director's professional qualifications and work experience, current directorships in issuers listed on the Main Board or GEM in Hong Kong, the time commitment required for other significant external engagements, and other factors or circumstances related to the director's character, integrity, independence and experience; and
- (G) to institute policies concerning diversity of board members and diversity of employees (including senior management), or consider the policy concerning diversity of board members and diversity of employees (including senior management) adopted by the Board from time to time, and disclose the relevant policy or a summary of the policy in the corporate governance report.

Article 6

The Committee shall fulfill the following main responsibilities:

- (A) to review in advance on the skills, knowledge, experience and work background of the directors appointed to fill a temporary vacancy and provide the assessment results for the shareholders' meeting as a reference for election after being submitted to and agreed by the Board;
- (B) to verify the name together with biographical data of all directors who intend to participate in the election or re-election, so that the shareholders can make a choice with comprehensive information;
- (C) to report to the Board the reasons for the resignation or removal of directors, as well as the explanation of other matters needed to be informed to shareholders, in case of any director's resignation or removal;
- (D) to specify the reasons for not to adopt the director candidates who are recommended by shareholders holding more than 5% of the total number of issued shares of the Company and are decided not to be included in the list of recommended reference after the prior review of the Committee;
- (E) to pay attention to the nominees' qualifications, experience, professional knowledge and conditions stipulated by the Listing Rules for independent non-executive directors, sticking to the principle of complying with the long-term interests of shareholders, when the Committee nominates the list of candidates of independent non-executive directors;
- (F) to establish standards for the organizational system of all committees of the Board, which shall be reviewed at least annually and of which the amendments shall be recommended to the Board in a timely manner; and
- (G) to review annually the qualifications of the chairmen and members of each committee and the potential conflicts of interest, and recommend to the Board whether there is a need for any replacement and recommend new appropriate candidates.

- Article 7** The Committee shall have the right to make recommendations on identifying and nominating other senior management personnel of the Company based on the Company's long-term interests.
- Article 8** When the members of the Committee deal with matters within the terms of reference thereof, they shall avoid the involvement initiatively, if they own an interest in these matters or if their involvement may be likely to damage the interests of the Company.
- Article 9** The complete minutes of the Committee's meetings shall be maintained by the duly appointed meeting secretary (typically the secretary to the Board). The initial draft and final version of the minutes shall be circulated to all members of the Committee within a reasonable time after the meeting. The initial draft is for members' review and comments, and the final version is for their records.
- Article 10** The Committee shall convene a meeting at least once a year, and may convene a meeting at any time when it is needed.
- Article 11** The Committee shall, if necessary, invite members of management to attend the meeting and provide relevant information.
- Article 12** If the Chairman of the Committee is on leave, unable to convene meetings for good reasons or required to avoid the involvement pursuant to Article 8, the other directors of the Committee designated by the Chairman shall perform the role; in case of no designation by the Chairman, one director shall be elected by other members of the Committee to perform the role. The convening notice of the Committee shall contain the subject matter and shall be served to its members seven days in advance. But in case of emergency situations, there is no such limitation.
- Article 13** The meeting agenda of the Committee shall be prepared by the Chairman, who may also provide motions for the Committee to discuss.

- Article 14** Except otherwise provided by the law, the Listing Rules or the Articles of Association, the resolution of the Committee shall be reached when more than two-thirds of the members of the Committee attend the meeting and the majority of the members present approve. In the process of voting, it shall be deemed adopted, if no objection is shown when consulted by the Chairman of the Committee, with the same effectiveness of affirmative votes.
- If the Board of Directors does not adopt or does not fully adopt the recommendations of the Committee, it shall record the opinion of the Committee and the specific reasons for not adopting in the resolution of the Board of Directors and disclose the same.
- Article 15** The resolution of the Committee shall form minutes of meeting, signed by the directors present at the meeting and the recorder, and the minutes shall be distributed to the members of the Committee within twenty days after the meeting and also submitted to the Board of Directors.
- Article 16** The minutes of meetings shall contain the information of the year, month, day, place or method, the name of the Chairman, resolution procedure, the essentials and the results of proceedings, which shall be kept for more than five years.
- Article 17** The Committee members shall faithfully fulfill the duties stipulated in the Organizational Rules and be responsible to the Board of Directors. All motions shall be submitted to the Board of Directors for consideration.
- Article 18** The implementation of the Committee's resolution matters shall be granted to the Chairman or the other members of the Committee, with written or oral reports submitted to the Committee during the execution.
- Article 19** The Organizational Rules shall be implemented after the consideration and approval of the Board of Directors, so shall its revision.