



## CHINA SHANSHUI CEMENT GROUP LIMITED

中國山水水泥集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 691)**

### **Nomination Committee Terms of Reference**

(Adopted by the Board on 12 March 2025)

#### **1. CONSTITUTION**

The board of directors of the Company (the “**Board**”) hereby constitutes and establishes a nomination committee (the “**Nomination Committee**”) with authority, responsibility, and specific duties as described in this Nomination Committee Terms of Reference (the “**Terms of Reference**”).

#### **2. MEMBERS**

2.1 Members of the Nomination Committee shall be appointed by the Board and shall comprise of not less than two (2) directors of the Company, the majority of whom should be independent non-executive directors. There shall be at least one director of a different gender in the Nomination Committee.

2.2 The chairman of the Board or an independent non-executive director shall be the chairman of the Nomination Committee (the “**Chairman**”). In the absence of the Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting of the Nomination Committee (the “**Meeting**”).

2.3 Only members of the Nomination Committee have the right to attend the Meetings. The directors of the Company can attend the Meetings as observers. However, other individuals such as the Chief Executive, the head of human resources and external advisers may be invited to attend for all or part of any Meeting, as and when appropriate.

#### **3. SECRETARY**

Any one of the joint company secretaries of the Company (the “**Joint Company Secretaries**”) or their nominee shall act as the secretary of the Nomination Committee. The Joint Company Secretaries shall also act as a co-ordinating intermediary between the Board and the Nomination Committee.

#### **4. QUORUM**

- 4.1 The quorum necessary for the transaction of business by the Nomination Committee shall be two (2).
- 4.2 A duly convened Meeting at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Nomination Committee by a resolution passed by a simple majority of the votes of such members of the Nomination Committee present at the Meeting.
- 4.3 In the case of an equality of votes, the Chairman shall be entitled to a casting vote.

#### **5. FREQUENCY OF MEETINGS**

The Nomination Committee shall meet at least once a year and at such other times as the Chairman shall require.

#### **6. NOTICE OF MEETINGS AND PROCEEDINGS AT MEETINGS**

- 6.1 Meetings of the Nomination Committee shall be summoned by the Joint Company Secretaries at the request of the Chairman.
- 6.2 Unless otherwise agreed, notice of each Meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Nomination Committee, any other person required to attend and all other non-executive directors, no later than three (3) clear business days prior to the date of the Meeting. Supporting papers shall be sent to Nomination Committee members and to other attendees as appropriate, at the same time.
- 6.3 Meetings of the Nomination Committee may be conducted when the members are physically present or in the form of either video or audio conferences. Meetings may be held by way of circulation of written resolutions and relevant documents.

## **7. MINUTES OF MEETINGS**

- 7.1 The Joint Company Secretaries shall minute the proceedings and resolutions of all the Meetings, including the names of those present and in attendance, and shall ensure the Nomination Committee is properly constituted and advised.
- 7.2 The Joint Company Secretaries should ascertain, at the beginning of each Meeting, the existence of any conflicts of interest and minute them accordingly.
- 7.3 Minutes of the Meetings shall be circulated promptly to all members of the Nomination Committee and the chairman of the Board and, once agreed, to all other members of the Board, unless a conflict of interest exists.

## **8. ANNUAL GENERAL MEETING**

The Chairman shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Nomination Committee's activities.

## **9. DUTIES**

### **9.1 The Nomination Committee shall perform the following duties:**

- 9.1.1 the structure, size and composition (including the skills, knowledge and experience) required of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, assisting the Board in maintaining a board skills matrix;
- 9.1.2 the exclusive authority and responsibility delegated by the Board 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;
- 9.1.3 the independence of independent non-executive directors;
- 9.1.4 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;
- 9.1.5 independent professional advice to perform its responsibilities where necessary;

- 9.1.6 report back to the Board on its decisions or recommendations (unless there are legal or regulatory restrictions on its ability to do so);
- 9.1.7 before appointment is made by the Board, evaluate the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Nomination Committee shall:
- (a) use open advertising or the services of external advisers to facilitate the search;
  - (b) consider candidates from a wide range of backgrounds; and
  - (c) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
- 9.1.8 keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- 9.1.9 keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 9.1.10 review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;
- 9.1.11 assess each director's time commitment, contribution to the Board and ability to discharge his or her responsibilities effectively in the corporate governance report, taking into account professional qualifications and work experience, existing directorships of issuers listed on the Main Board or the Growth Enterprise Market and other significant external time commitments of such candidate and other factors or circumstances relevant to the candidate's character, integrity, independence and experience; and
- 9.1.12 ensure that on appointment to the Board, nonexecutive 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 board meetings.

**9.2 The Nomination Committee shall also make recommendations to the Board concerning:**

- 9.2.1 formulating plans for succession for both executive and non-executive directors and in particular for the key roles of chairman of the Board and Chief Executive;
- 9.2.2 selection of individuals nominated for directorships;
- 9.2.3 suitable candidates for the role of senior independent director;
- 9.2.4 membership of the Audit and Remuneration Committees (if any), in consultation with the chairmen of those committees;
- 9.2.5 the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required; support the Company's regular evaluation (at least once every two years) of the Board's performance;
- 9.2.6 the continuation (or not) in service of any director who has reached the age of 70;
- 9.2.7 the re-election by shareholders of any director under the 'retirement by rotation' provisions in the Company's articles of association having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- 9.2.8 any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provisions of the law and their service contract;
- 9.2.9 the appointment of any director to executive or other office other than to the positions of chairman of the Board and Chief Executive, the recommendation for which would be considered at a meeting of the full board; and
- 9.2.10 other relevant matters relating to the appointment or re-appointment of directors.

**9.3 No person shall be appointed as a director of the Company unless such person is nominated by the Nomination Committee.**

## **10. REPORTING RESPONSIBILITIES**

- 10.1 The Chairman shall report formally to the Board on its proceedings after each Meeting on all matters within its duties and responsibilities.
- 10.2 The Nomination Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed unless there are legal or regulatory restrictions on its ability to do so.
- 10.3 The Nomination Committee shall make a statement in the annual report about the policy for the nomination of directors performed by the Nomination Committee and nomination procedures and the process and criteria adopted by the Nomination Committee to select and recommend candidates for directorship during the year.

## **11. AUTHORITY**

- 11.1 The Nomination Committee is authorised by the Board to investigate any activity within this terms of reference. It is authorised to seek any information it requires from any employee, and all employees are directed to co-operate with any request made by the Nomination Committee.
- 11.2 Nomination Committee shall be provided by the Company with sufficient resources to perform its duties and is authorised by the Board to obtain, at the Company's expense, independent professional advice necessary for the performance of its responsibilities

## **12. MATTERS**

- 12.1 The Nomination Committee shall make available these Terms of Reference explaining its role and the authority delegated to it by the board by including them on the website of The Stock Exchange of Hong Kong Limited and the Company's website.
- 12.2 Nomination Committee shall, at least once a year, review its own performance, constitution and these Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 12.3 The Chairman of the Nomination Committee (in his absence, another member of the Nomination Committee) shall make himself available to attend the annual general meetings of the Company to answer questions thereat.