



FEISHANG

Feishang Anthracite Resources Limited

飛尚無煙煤資源有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock Code: 1738)

Adopted: 22 January 2014
First Revision: 18 December 2018

Terms of Reference for Nomination Committee

Feishang Anthracite Resources Limited

飛尚無煙煤資源有限公司

(the “Company”, and together with its subsidiaries, the “Group”)

Terms of Reference for Nomination Committee

CONSTITUTION

1. The board of directors of the Company (the “**Board**”) established a committee known as the Nomination Committee (the “**Committee**”) and adopted these terms of reference on 22 January 2014, which was further amended by the Board on 18 December 2018 (the “**Terms of Reference**”).

PURPOSE

2. The purpose of the Committee is to identify and recommend to the Board appropriate candidates to serve as directors of the Company, to evaluate the structure, composition and diversity of the Board and to develop, recommend to the Board and monitor the Nomination Policy for the Company.
3. The Committee also aims to promote diversity at all levels from the Board downwards in terms of gender, age, skills, experience and diversity of perspectives to ensure better understanding of different stakeholders, more effective decision making and better corporate governance and risk management.

MEMBERSHIP

4. The members shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members, a majority of whom should be independent and should meet the independence requirements from time to time as stipulated in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Two members shall form a quorum, of whom one has to be an independent non-executive director.
5. The chair of the Committee (“**Chair**”) shall be appointed by the Board and should be the Chairman of the Board or an independent non-executive director and in his/her absence, members present may elect any member who is neither the Chairman of the Board (as applicable) or an independent non-executive director to chair a Committee meeting.

ATTENDANCE AT MEETINGS

6. The Company Secretary or his/her delegate or such other person appointed by the Chair shall be the secretary of the Committee (“**Secretary**”).

FREQUENCY AND PROCEDURES OF MEETINGS

7. Meetings shall be held at least once a year or as requested by the Chair. The members of the Committee may adopt from time to time the procedure governing the convening of the Committee meetings and the means and procedure for the passing of resolutions at meetings of the Committee.

AUTHORITY

8. The Committee is authorised by the Board to deal with any activity within its Terms of Reference. It is authorised by the Board to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
9. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary at the Company's expenses.
10. The Committee shall be provided with sufficient resources to perform its duties.

DUTIES

11. The duties of the Committee shall be:
 - (a) to review the structure, size and diversity (including but not limited to gender, age, ethnicity, professional qualifications, regional and industry experience, cultural and educational background, skills, industry knowledge and reputation, language skills 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 from the widest possible pool of available talent with due regard for the benefits of diversity on the Board, and select or make recommendations to the Board on the selection of individuals nominated for directorships in accordance with the Nomination Policy;
 - (c) to assess annually on the diversity of senior management and employees, including gender balance, and ensure that the recruitment and selection practices and training and promotion programmes at all levels enable the Company to consider a diverse range of candidates and attract, retain and motivate employees from the widest possible pool of available talent, some of whom will gradually be developed and prepared for senior management and Board positions;
 - (d) to assess the independence of independent non-executive directors;

- (e) 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;
- (f) to review from time to time as appropriate these Terms of Reference and the effectiveness of the Committee and recommend to the Board any necessary changes;
- (g) to report to the Board on the matters set out in these Terms of Reference and where the monitoring activities of the Committee reveal cause for concern or scope for improvement, the Committee shall make recommendations to the Board to address the issue or to make improvements;
- (h) to review the Nomination Policy and Board Diversity Policy of the Company, as appropriate, and make recommendations to the Board on any proposed changes as considered appropriate, and to review the measurable objectives that the Board has set for implementing the Board Diversity Policy and the progress on achieving the objectives, where applicable, and make disclosure of its review results in the Corporate Governance Report annually; and
- (i) to consider other topics, as defined by the Board.

OTHER PROCEDURES

12. The Secretary, in consultation with the Chair, should be responsible for drafting the agenda for each Committee meeting. The Chair, with the assistance of the Secretary, shall ensure that all members have sufficient information in a timely manner (in any event, at least three days before each Committee meeting) to enable effective discussion at a Committee meeting and be briefed on the issues arising at each Committee meeting. The Secretary shall record minutes of all duly constituted meetings of the Committee. All minutes shall record in sufficient detail the matters considered, decisions reached or recommendations made and any concerns raised by any member including dissenting views of any member. The Secretary shall circulate the draft and final versions of the minutes of meetings and reports of the Committee to all Committee members for their comments and records within a reasonable time after each meeting. The minutes shall be available for inspection at any reasonable time on reasonable notice by any director of the Company. The Chair shall report at the forthcoming regular Board meeting any key decisions made and shall table before the Board an index of meetings and issues discussed.

PROVISION OF TERMS OF REFERENCE

13. The Committee should provide the Terms of Reference upon request and upload them to the Hong Kong Stock Exchange's website and the Company's website to explain the duties of the Committee and the authority the Board granted to it.
14. These Terms of Reference have been prepared in English and Chinese, and both versions possess equal status and have the same effect.