

**SICHUAN ENERGY INVESTMENT DEVELOPMENT CO., LTD.**  
**TERMS OF REFERENCE OF NOMINATION**  
**COMMITTEE OF THE BOARD OF DIRECTORS**

**CHAPTER 1 GENERAL**

**Article 1** In order to regulate the appointment of the senior management personnel, optimize the composition of the board of directors and to improve its corporate governance structure, Sichuan Energy Investment Development Co., Ltd. (the “Company”) has set up a nomination committee under the board of directors and formulated these terms of reference in accordance with the Company Law of the People's Republic of China, the Articles of Association of Sichuan Energy Investment Development Co., Ltd. (“the Articles of Association”), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and other regulations.

**Article 2** The nomination committee is a special working body set up by the board of directors pursuant to the Articles of Association. It shall be mainly responsible for advising on the candidates, selection criteria and procedures for directors and senior management. Senior management members referred to in these terms of reference include the general manager, deputy general managers, financial controller (chief accountant), chief engineer, chief economist, secretary of the board of directors and other senior management members on the operational level proposed by the general manager to the board of directors for approval.

**CHAPTER 2 COMPOSITION**

**Article 3** Members of the committee shall be appointed by the board of directors from the directors of the Company and shall consist of not less than three members, a majority of whom shall be independent non-executive directors.

**Article 4** Members of the nomination committee shall be nominated by the chairman of the board of directors, more than half of the independent non-executive directors or more than one-third of all directors and shall be appointed through election with a majority vote by the board of directors.

**Article 5** The nomination committee shall have one chairman (convener) who shall be elected with a majority vote of the members of the board of directors and be acted by the chairman of the board of directors or an independent non-executive director, responsible for presiding over the work of the committee.

**Article 6** The term of office of the nomination committee shall be the same as that of the board of directors. A member of the nomination committee may serve consecutive terms if re-elected upon the expiration of his term. During his term of office, if any committee member ceases to be a director, or any committee member as an independent non-executive director ceases to have the independence as required under the Articles of Association and the Listing Rules, his membership in the committee shall lapse automatically. The committee shall make up the number of committee members in accordance with provisions set out in Articles 3 to 5 above.

**Article 7** A member of the nomination committee may resign before the expiry of his/her term of office. The written resignation report shall include a statement of the reasons for such resignation and the matters that shall be brought to the attention of the board of directors. Where the number of the members of the committee falls below the quorum, the resigning member shall, before the alternative members of the board of directors assume his position, continue to exercise related responsibilities.

**Article 8** The nomination committee shall establish a nomination working unit with a unit head, which shall be responsible for its daily business. The members of the working units may not be members of the board of directors.

### CHAPTER 3 DUTIES AND AUTHORITY

**Article 9** The principal duties and authority of the nomination committee shall be:

- (I) to review the structure, size and composition (in terms of the skills, knowledge, experience, diversification, ect.) of the board of directors (the “Board”) based on the conditions of business operations, asset size and shareholding structure of the Company at least once a year and make recommendations on any proposed changes to the board of directors to complement the Company's corporate strategy;
- (II) to identify qualified individuals to become board members and select or make recommendations to the board of directors on the selection of nominees for directorships;
- (III) to assess the independence of independent non-executive directors of the Company;
- (IV) to make recommendations to the board of directors on the appointment or re-appointment of directors of the Company and succession planning of directors of the Company;
- (V) to deal with other matters as authorized by the relevant laws and regulations such as the Listing Rules and the board of directors.

**Article 10** The nomination committee is accountable to the board of directors; proposals made by the nomination committee shall be subject to review and determination by the board of directors. Controlling shareholders shall, unless with sufficient reason or reliable evidence, fully respect proposals made by the nomination committee and shall not make recommendation on replacement of directors or senior management otherwise.

**Article 11** The nomination committee (or the board) should have a policy concerning diversity of board members and should disclose the policy or a summary of the policy in the corporate governance report.

### CHAPTER 4 DECISION-MAKING PROCESS

**Article 12** The nomination working unit under the nomination committee shall be responsible for the preliminary preparatory work in relation to the decision making of the nomination committee.

**Article 13** The nomination committee shall study the election criteria, selection process and term of office of the directors and senior management personnel of the Company in accordance with provisions of pertinent laws and regulations and the Articles of Association and taking into account the actual conditions of the Company, formulate resolutions and submit the same for the approval of the board of directors and implement accordingly.

**Article 14** The selection process for directors and senior management personnel shall be as follows:

- (I) the nomination committee shall actively communicate with the relevant departments of the Company to assess the demand for new directors and senior management personnel and generate written materials;

- (II) the nomination committee may extensively seek for candidates for directors and senior management within the Company, the shareholders as well as in the recruitment market;
- (III) the nomination committee shall obtain information of the occupation, education background, job title, detailed work experience and all the part-time positions of the preliminary candidates and prepare a report in written form;
- (IV) the nomination committee shall seek for the written consent from the nominated candidates on the proposed nomination; otherwise, such nominated candidates shall not be considered as candidates for directors or senior management members otherwise;
- (V) the nomination committee shall convene nomination committee meetings to review the qualifications of the preliminary candidates according to the job descriptions of directors and senior management members;
- (VI) the nomination committee shall submit its recommendations for candidates for relevant materials to the board of directors 15 days prior to the election of new directors and new senior management;
- (VII) Other subsequent tasks to be undertaken pending on the decisions and feedback of the board of directors.

## **CHAPTER 5 RULES OF MEETINGS**

**Article 15** The nomination committee shall meet at least once a year and the chairman of the nomination committee may also convene an extraordinary meeting at his absolute discretion. The notice of a meeting shall be delivered to all members of the nomination committee at least three days before the date of the meeting. Upon unanimous consent of all members of the nomination committee, the foregoing requirement of notification period may be waived. A meeting of the nomination committee shall be presided over by the chairman of the nomination committee, in whose absence another independent non-executive director may be delegated by the chairman of the nomination committee to preside over the meeting in his/her stead.

**Article 16** The quorum for meetings of the nomination committee shall be at least two thirds of the total members of the nomination committee. Each member of the nomination committee shall have one vote. Resolutions at a meeting shall be passed by the affirmative votes of more than half of the members of the Nomination Committee.

**Article 17** The nomination committee shall vote by a show of hands or by a poll. Meetings may be convened by way of voting by correspondence.

**Article 18** The nomination committee shall be provided with sufficient resources for the due performance of its duties. Where necessary, the nomination committee may engage an intermediary firm at the cost of the Company to furnish independent professional advice for its decision-making.

**Article 19** The procedures of convening a nomination committee meeting, method of voting and resolutions passed thereby must be in accordance with provisions of pertinent laws, regulations, the Articles of Association and these terms of reference.

**Article 20** Records of a nomination committee meeting shall be kept and members attending the meeting shall sign on the minutes of meeting. The minutes of meeting shall be kept by the Board secretary of the Company.

**Article 21** Resolutions and results of voting adopted by a nomination committee meeting shall be reported in writing to the board of directors of the Company.

**Article 22** Members attending any meetings of the committee shall have the obligation to keep confidential all matters discussed at such meetings and shall refrain from unauthorized disclosures of information relating thereto.

## **CHAPTER 6 SUPPLEMENTARY PROVISIONS**

**Article 23** For the purpose of these terms of reference, the expression “at least” includes the numbers following such expression.

**Article 24** These terms of reference have been approved by the Board upon consideration and shall become effective from the date on which the overseas listed foreign shares (H Shares) issued by the Company are listed and traded on the Stock Exchange of Hong Kong Limited.

**Article 25** Any matters not covered by these terms of reference shall be implemented in accordance with the provisions of the relevant laws, regulations and regulatory documents of the State, the listing rules of the stock exchanges where the shares of the Company are listed or the Articles of Association. If these terms of reference contravene any future laws, regulations and regulatory documents promulgated by the State, the listing rules of the stock exchanges where the shares of the Company are listed, or the legally amended Articles of Association, such terms of reference shall be implemented in accordance with the provisions of the relevant laws, regulations and regulatory documents of the State, the listing rules in the stock exchanges where the shares of the Company are listed or the Articles of Association, and shall be promptly amended and reported to the board of directors for consideration and adoption.

**Article 26** The rights of interpretation of, and amendments to, these terms of reference shall be vested in the board of directors of the Company.