



元亨燃氣

YUANHENG GAS

YUAN HENG GAS HOLDINGS LIMITED

元亨燃氣控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 332)

Terms of Reference of the Nomination Committee

(Adopted on 30 June 2025)

1. Constitution

The board (the “**Board**”) of directors (the “**Director(s)**”) of Yuan Heng Gas Holdings Limited (the “**Company**”) had resolved on 30 March 2012 to establish a committee known as the Nomination Committee (the “**Committee**”). The terms of reference of the Committee have been updated and amended on 30 June 2025 pursuant to the resolutions of the Board in compliance with the Corporate Governance Code (the “**CG Code**”) under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”).

2. Membership

- 2.1 The Committee members (“**Members**”, each a “**Member**”) shall be appointed by the Board from amongst the Directors and shall consist of not less than three Members. The majority of Members must be independent non-executive Directors, with at least one Member of a different gender.
- 2.2 The chairman of the Committee (the “**Chairman**”) shall either be the chairman of the Board (if he is a member of the Committee) or an independent non-executive director and shall be appointed by the Board.
- 2.3 The company secretary or his duly appointed nominee shall act as the Committee’s secretary (the “**Secretary**”).
- 2.4 The constitution of the Committee shall comply with the requirements of the Listing Rules as amended from time to time.

3. Frequency and proceedings of meetings

- 3.1 The quorum of a meeting shall be two members of the Committee. Other Board members, apart from the Committee members, have the duty to attend any Committee meetings if invited by the Committee, and they shall not be counted in the quorum.
- 3.2 The Committee shall meet at least once every year before the holding of an annual general meeting where appointment of directors will be considered. Additional meetings shall be held as the work of the Committee demands. In addition, the Chairman may convene additional meetings at his discretion.
- 3.3 Proceedings of meetings of the Committee shall be governed by the provisions of the bye-laws of the Company relating to directors proceedings (and such provisions shall be deemed to form part of these Terms).
- 3.4 The Committee is authorized by the Board to invite advisors to the meeting, including but not limited to external advisors or consultants to advise its Members.
- 3.5 Resolutions of the Committee at any meeting shall be passed by a majority of votes of Members present.
- 3.6 A resolution in writing signed by all Members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

4. Minutes

Full minutes of the Committee meetings should be kept by Secretary. Draft and final version of minutes of the Committee meetings should be sent to all Members for their comment and records within a reasonable time after the meetings.

5. Authority

- 5.1 The Committee should be provided with sufficient resources to discharge its duties.
- 5.2 The Committee is authorized by the Board to obtain independent professional advice at the Company's expense if considered necessary.

6. Terms of Reference

The responsibilities and authorities of the Nomination Committee shall include such responsibilities and authorities set out in the relevant code provisions of the CG Code (as amended from time to time). Without prejudice to any requirement under the CG Code, the duties of the Committee shall be:

- 6.1 to review the structure, size and composition (including but not limited to the skills, knowledge, experience and length of service) of the Board at least annually, assist the Board in maintaining a board skills matrix; and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy with due regards to the board diversity policy of the Company (the "**Board Diversity Policy**");
- 6.2 to determine the policy for the nomination of the Directors (the "**Nomination Policy**") and to disclose the Nomination Policy in the Corporate Governance Report of the Company annually; the Nomination Policy shall set out, inter alia, the nomination procedures and process and criteria to select and recommend candidates for directorship;
- 6.3 to consider the selection criteria of the Directors, and develop procedures for the sourcing and selection of candidates to stand for election by the Company's shareholders (the "**Shareholders**");
- 6.4 to identify and nominate candidates to the Board for it to recommend to the Shareholders for election as the Directors. Sufficient biographical details of nominated candidates shall be provided to the Board and the Shareholders to enable them to make an informed decision;
- 6.5 to identify and nominate candidates to fill casual vacancies of the Directors for the Board's approval;
- 6.6 to assess the independence of independent non-executive Directors having regard to the criteria under the Listing Rules and review the independent non-executive Directors' annual confirmations on their independence; and make disclosure of its review results in the Corporate Governance Report of the Company annually;
- 6.7 to regularly review the time required from the Director to perform his responsibilities;
- 6.8 to make recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for Directors, in particular the chairman of the Board and the Chief Executive of the Company;
- 6.9 to support the regular evaluation of the performance of the Board;
- 6.10 to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and

6.11 to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Company's constitution or imposed by legislation.

7. Annual General Meeting

The Chairman or another Member shall attend the Company's Annual General Meeting and be prepared to respond to Shareholders' questions on the activities of the Committee and their responsibilities.

8. Reporting procedures

Unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements), the Committee shall report to the Board on a regular basis. At the next Board meeting following a meeting of the Committee, the Committee's Chairman shall report to the board on decisions or recommendations made.

9. Publication of the Terms of Reference

These terms of reference will be posted on the websites of the Stock Exchange and the Company.

10. Language

If there is any inconsistency between the English and Chinese versions of these terms of reference, the English version shall prevail.

June 2025