

# Grand Ocean Advanced Resources Company Limited

## 弘海高新資源有限公司

(the “Company”)

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

(Stock Code: 65)

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

*(Adopted by the Company pursuant to the Board resolution passed on 31 December 2018)*

#### **1. Composition**

- 1.1 The Nomination Committee shall be appointed by the Board from time to time and shall consist of not less than two independent non-executive directors, each of whom shall 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 (the “**Listing Rules**”).
- 1.2 A majority of the members of the Nomination Committee should be independent non-executive directors. A quorum shall be two members. The Chairman of the Nomination Committee shall be appointed by the Board and must be independent non-executive director.

#### **2. Frequency of meetings**

- 2.1 The Nomination Committee shall hold at least one regular meeting in a year. Additional meetings of the Nomination Committee may be held as and when required.
- 2.2 The company secretary of the Company (the “**Company Secretary**”) shall be the secretary of the Nomination committee.

#### **3. Attendance at meetings**

- 3.1 Members of the Nomination Committee may attend meetings of the Nomination Committee either in person or through other electronic means of communication in such other manner as the members may agree.
- 3.2 The chairman of the Board and/or managing director, external advisers and other persons invited by a Nomination Committee member shall normally attend meetings of the Nomination Committee.
- 3.3 Only members of the Nomination Committee are entitled to vote at the meetings.

#### **4. Proceedings of the Committee**

##### 4.1 Notice of meeting:

- (a) Unless otherwise agreed by all the Committee members, a meeting shall be convened by at least seven days' notice.
- (b) A Committee member may at any time summon of a Committee meeting.
- (c) Notice shall be given to each Committee member in person orally or in writing or by telephone or by facsimile transmission or email at numbers or addresses from time to time notified to the secretary of the Company by such Committee member or in such other manner as the Committee members may from time to time determine.
- (d) Any notice given orally shall be followed by confirmation in writing before the meeting.
- (e) Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Committee for the purpose of the meeting.

#### **5. Minutes of meetings**

- 5.1 Draft and final versions of minutes of Nomination Committee meetings shall be sent to all Nomination Committee members for their comment and records within a reasonable time after the meeting.
- 5.2 Minutes of the Nomination Committee shall be kept by the Company Secretary and shall be available for inspection by any member of the Nomination Committee or the Board at any reasonable time on reasonable notice.

#### **6. Written resolutions**

- 6.1 Without prejudice to any requirement under the Listing Rules, written resolution may be passed and adopted by all members of the Nomination Committee.

## **7. Authority**

- 7.1 The Committee is authorized by the Board to obtain from any Board members and/or employees of the Company any information in relation to the appointment of Directors for discharging its duties.
- 7.2 The Committee is authorized by the Board to have access to independent professional advice (if necessary), at the Company's expense, to perform its responsibilities and invite external parties with relevant experience and expertise to attend meeting (if necessary).
- 7.3 The Committee should be provided with sufficient resources to perform its duties.

## **8. Responsibilities and Duties**

- 8.1 The Nomination Committee shall perform the following duties:
- (a) To review the structure, size and composition (including the gender, age, race, language, cultural and educational background, industry and professional experience, skills, knowledge and length of service) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes;
  - (b) To develop individuals who are qualified/suitable to become a member of the Board and to select or make recommendations to the Board on the selection of individuals nominated for directorship;
  - (c) To identify individuals who are qualified/suitable to become a member of the Board and to select or make recommendations to the Board on the selection of individuals nominated for directorships;
  - (d) To assess the independence of independent non-executive directors and determine their eligibility;
  - (e) To make recommendations to the Board on matters relating to the appointment or re- appointment of directors and successions planning for directors, in particular, the chairman and the chief executive officer taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future;

- (f) To review and assess the adequacy of the corporate governance guidelines of the Company and to recommend any proposed changes to the Board for approval;
- (g) to implement and review the Board Diversity Policy (the “**Board Diversity Policy**”), as appropriate, recommend any revisions of the Board Diversity Policy to the Board; review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and disclose the Board Diversity Policy or a summary or such policy, in particular, the measurable objectives that it has set for implementing the Board Diversity Policy and the progress on achieving the objectives and its review results in the Company’s corporate governance report annually;
- (h) develop, review and disclose the policy for nomination of directors (the “**Nomination Policy**”), as appropriate, in the Company’s corporate governance report annually. The Nomination Policy shall set out, inter alia, the nomination procedures, process and criteria to select and recommend candidates for directorship; and
- (i) where the Board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting (i) the process used for identify the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent; (ii) if the proposed independent non-executive director will be holding their seventh (or more) listed company directorship, why the board believes the individual would still be able to devote sufficient time to the board; (iii) the perspectives, skills and experience that the individual can bring to the board; and (iv) how the individual contributes to diversity of the board.

## **9. Reporting Responsibilities**

9.1 The Nomination Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

## **10. Annual general meeting**

10.1 The Chairman of the Nomination Committee, or in his absence, another member of the Nomination Committee or failing this, his duly appointed delegate, shall attend the Annual General Meeting of the Company and be prepared to respond to questions at the Annual General Meeting on the Nomination Committee's work and responsibilities.

*Note:* If there is any inconsistency between the English and Chinese versions of this Terms of Reference, the English version shall prevail.