

# Beijing Urban Construction Design & Development Group Co., Limited

## TERMS OF REFERENCE OF THE NOMINATION COMMITTEE OF THE BOARD OF DIRECTORS

### Chapter I General Provisions

**Article 1** In order to regulate the engagement of the directors and senior management of Beijing Urban Construction Design & Development Group Co., Limited (hereafter referred to as the “Company”), optimize the composition of the board of directors and improve the structure of corporate governance, the Company has set up a nomination committee under the board of directors (hereafter referred to as the “nomination committee”) and formulated these implementation rules in accordance with the provisions of such laws, regulations and regulatory documents as the Company Law of the People’s Republic of China (hereafter referred to as the “Company Law”), and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereafter referred to as the “Hong Kong Listing Rules”) , as well as the Articles of Association and the Terms of Reference of the Board Meetings of the Company.

**Article 2** The nomination committee is a specialized working organ set up by the board of directors, which is mainly responsible for reviewing the candidates of, as well as the criteria and procedures for selecting, directors and senior management of the Company, and making recommendations to the board of directors in respect thereof.

Senior management referred to herein includes general manager, deputy general manager, chief engineer, chief economist and chief accountant and secretary of the board who are appointed by the board of directors.

**Article 3** The nomination committee shall perform its duties within the scope of duties prescribed under the Articles of Association and these Terms of Reference, and its operation shall be independent of, and not be interfered

by, other departments of the Company.

## **Chapter II Composition**

**Article 4** The nomination committee shall comprise three or more directors, among which at least half of them shall be independent non-executive directors.

**Article 5** Members of the nomination committee shall be nominated by the chairman of the board of directors, at least half of the independent non-executive directors or at least one-third of all directors, and shall be elected by the board of directors.

**Article 6** The nomination committee shall have one chairman to be acted by the chairman of the board or an independent non-executive director responsible for presiding over the work of the committee. The chairman shall be elected by the majority of all the members in the nomination committee, subject to approval by the board of directors.

**Article 7** The term of office for a member of the nomination committee shall be concurrent with the term of his directorship, and can be reappointed upon re-election. A member shall be automatically disqualified if he ceases to be a director or independent non-executive director of the Company due to his resignation or other reasons. The board of directors shall fill the vacancy in accordance with the Articles of Association of the Company and these Rules.

**Article 8** The requirements of the Company Law, Hong Kong Listing Rules and the Articles of Association on obligations of directors are applicable to members of the nomination committee.

## **Chapter III Terms of Reference**

**Article 9** The nomination committee is mainly responsible for formulating the criteria and procedures for selection of the Company's directors and senior management, selecting candidates and making recommendations.

**Article 10** The main terms of reference of the nomination committee are

as follows:

(1) to review the size, structure and composition of the board of directors at least annually and make recommendations on any proposed changes to the board of directors, having regard to the operating activities, asset scale and shareholding structure of the Company; to especially pay attention to the compliance of the requirements for diversity of director candidates from the board of directors in terms of gender, age, nationality, cultural and educational background, expertise and skills among others;

(2) to assess the independence of independent non-executive directors;

(3) to study the criteria and procedures for selecting directors and senior management of the Company and make recommendations thereon to the board of directors;

(4) to conduct extensive searches for qualified candidates of directors and senior management;

(5) to conduct examination on candidates for directors and senior management and to make proposals on the appointment, re-appointment or succession of directors and senior management;

(6) to examine the candidates of other senior management that must be recommended to the board of directors for appointment, and propose suggestions;

(7) to perform other duties as required by applicable laws, regulations, the Articles of Association, relevant regulations of the securities regulatory authorities in the localities where the Company has its shares listed, and authorized by the board of directors.

The committee performs its above duties by submitting supportive opinions that the board of directors may refer to them in considering the relevant proposals. The opinions do not constitute separate proposals, neither will the Board of Directors make separate resolutions on them.

**Article 11** The nomination committee shall be accountable to the Board of Directors. Resolutions proposed by the nomination committee shall be

submitted to the board of directors for consideration and decision, among which, resolutions on the nomination of candidates for directors shall be submitted to the general shareholders' meeting for consideration and approval upon approval by the board of directors prior to implementation.

**Article 12** The Company shall develop a database of directorship candidates. During the selection of directorship candidates, the nomination committee shall take adequate account of mutual complementation of Board members in terms of knowledge structure and experience among others and consider factors like diversity, to make sure that Board members are equipped with proper competences, experiences, diversified views and perspectives, so as to assist the Company in implementing its strategic objectives, maintaining competitive advantages and achieving sustainable growth.

#### **Chapter IV Working Process**

**Article 13** Procedures for submission and reception of proposals:

(1) the secretary of the board of directors shall examine whether the proposer is eligible to make a proposal and whether the proposal conforms to relevant provisions;

(2) if the qualification, form and content of the proposal conform to the Articles of Association, the Terms of Reference for Shareholders' General Meetings, the Terms of Reference for Meetings of the Board of Directors, these Terms of Reference and other provisions of the Company, the proposal and documents attached therewith shall be forwarded to the Committee;

(3) any proposal not conforming to the relevant provisions shall be returned with reasons to the proposer.

**Article 14** The chairman of the nomination committee shall, upon receipt of the relevant proposal forwarded by the board of directors, responsively organizes the relevant taskforce to study, assess and evaluate the proposal.

**Article 15** Where it is necessary to engage any external planning or consulting organization, the board secretariat shall assist in making such

arrangement.

**Article 16** Upon completion of study, if the proposal is evaluated as feasible, it shall be finalized as a proposal of the board of directors and submitted to the Board of Directors through the board secretariat; if the proposal is considered infeasible, the proposal shall, together with reasons for rejection and suggestions on revision, be returned to the proposer for improvement; in the process, the chairman of the nomination committee may convene a plenary meeting to discuss the proposal.

**Article 17** When the nomination committee carries out an investigation into the eligibility of a current director who is a member of this committee, he/she shall not participate in the investigation.

### **Chapter V Rules of Meetings**

**Article 18** Meetings of the nomination committee shall include regular meeting and extraordinary meeting.

The regular meeting shall be held once a year, within 4 months from the end of the previous fiscal year.

The extraordinary meeting shall be convened at the request of the board of directors, the chairman of the nomination committee, or at least more than half members of the nomination committee of the Company.

**Article 19** Regular meetings and extraordinary meetings of the nomination committee may be convened by on-site meetings or communication means. The chairman of the nomination committee or, if he is absent, another member with independent non-executive directorship appointed by the chairman shall preside over the meetings.

**Article 20** The notice of regular meetings of the nomination committee shall be issued five days prior to the meeting whereas the notice of extraordinary meetings shall be issued three days before the meeting. In exceptional circumstances, if at least two-thirds of the members in the nomination committee do not object, the notice of meetings may be issued

later than the above date.

**Article 21** The notice of meetings of the nomination committee shall at least include the following items:

- (1) the time and the venue of the meeting;
- (2) the duration of the meeting;
- (3) issues to be discussed in the meeting;
- (4) the contact person of the meeting and the way of contact;
- (5) the date of notice of the meeting.

The notice of meetings shall contain complete contents of proposals.

**Article 22** The notice of meetings of the nomination committee shall be delivered to all members by facsimile transmission, electronic mail, telephone, hand or other means. When the notice is delivered by electronic mail, telephone or other speedy methods, the parties being notified shall be deemed to have received the notice of the meeting if no written objection is received from them within 2 days from the date of issuing the notice.

**Article 23** Meetings of the nomination committee shall be held by at least two-thirds of the members present at the meeting.

**Article 24** Each member of the nomination committee has one vote. Resolutions proposed at the meetings shall take effect upon approval by the majority of all members (including those members absent from the meeting). In case of an equality of positive and negative votes, the chairman of the nomination committee shall have an extra vote and make decisions through the exercise of such voting right.

**Article 25** Members of the nomination committee may attend the meetings in person or by appointing other members as their proxies and exercise the voting right on their behalves. Each member shall appoint only one other member as his proxy to exercise the voting right on his behalf. If any member appoints two or more members to exercise the voting right on his behalf, such appointment shall be deemed invalid.

**Article 26** Any member who appoints another member to attend the

meeting and exercise voting right on his behalf shall submit a power of attorney to the chairman of the meeting. The power of attorney shall be submitted to the chairman of the meeting no later than the voting of the meeting.

**Article 27** The power of attorney shall at least include the following items:

- (1) the name of the appointer;
- (2) the name of the proxy;
- (3) the content of the appointment;
- (4) instructions on the exercise of voting right over issues of the meeting (of voting for, against or abstaining) and, where no specific instruction is made, a statement as to whether the proxy may vote at his discretion;
- (5) the expiry date of the power of attorney;
- (6) the date of signing of the power of attorney.

The power of attorney shall be signed by both of the appointer and the proxy.

**Article 28** The means of voting on the meetings of the nomination committee shall be by a registered showing of hands. Provided that members may fully express their opinions, the extraordinary meetings may be convened by facsimile and telephone and may adopt resolutions by facsimile which signed by the present members. If voting by communication means is adopted, members of the committee who have signed on the meeting resolutions shall be deemed to have attended the relevant meeting and have agreed on the contents of the resolutions.

**Article 29** Directors of the Company who are not members of the nomination committee may, if invited, sit in on the meetings of the nomination committee. Also, the nomination committee may, if considering necessary, call other persons relating to the meeting proposals to sit in on the meetings, give a briefing or express their opinions. However, those who are not members of the committee have no voting right over the proposals.

**Article 30** The nomination committee may engage intermediaries to

provide professional advice for its decision-making, if necessary, and the relevant expenses incurred shall be borne by the Company.

**Article 31** The procedures for convening the meeting, means of voting and resolutions passed at the meeting of the nomination committee shall comply with relevant laws, regulations, Hong Kong Listing Rules, the Articles of Association and the provisions of these Terms of Reference.

**Article 32** The nomination committee may appoint the secretary of the board of directors to handle the following routine work:

(a) to issue notices of meetings and distribute meeting schedules and relevant supporting materials to members;

(b) to take minutes, compile opinions of all members presenting at the meeting and deliver minutes to them for signing; and

(c) to distribute minutes to members of the nomination committee within fourteen days after conclusion of the meeting.

Minutes of the nomination committee shall be maintained by the secretary of the board of directors of the Company.

**Article 33** Resolutions and voting results adopted at the meetings of the nomination committee shall be reported to the Company's board of directors in writing.

**Article 34** Members attending the meeting shall keep all matters discussed at the meeting confidential. Unauthorized disclosure of the relevant information shall be prohibited.

**Article 35** Where an issue relating to a member is to be discussed at the meeting of the nomination committee, such related member shall be excused from the meeting in respect thereof.

The meeting concerned shall be held by the majority of the unrelated members attending the meeting and resolutions adopted shall be passed by the majority of the unrelated members. Where the number of unrelated members attending the meeting falls below one-half of the total number of unrelated members of the nomination committee, such item shall be submitted

to the board of directors' meeting for consideration.

## **Chapter VI Supplementary Provisions**

**Article 36** In these Terms of Reference, the meaning of “no less than”, “within”, “no more than” includes the underlying number, while “more than”, “less than”, “lower than” does not include the underlying number.

**Article 37** These Terms of Reference, and any amendments thereto, shall come into effect upon consideration and approval by the board of directors. These Terms of Reference shall be revised if necessary according to the changes of actual situations, drafts of amendments are put forward by the committee and submitted to the board of directors for approval.

**Article 38** Matters not provided for under these Terms of Reference shall be implemented in accordance with the provisions of relevant laws and regulations of China, Hong Kong Listing Rules and the Articles of Association. In case of any contradiction between these Terms of Reference and laws or regulations promulgated by China in future or any revisions to Hong Kong Listing Rules, and the Articles of Association which are amended through legitimate procedures, the provisions of such laws and regulations of China, Hong Kong Listing Rules and the Articles of Association shall prevail, and these Terms of Reference shall be amended forthwith and submitted to the board of directors for consideration and approval.

**Article 39** These Terms of Reference are subject to the interpretation of the Board of Directors.