

# **Inner Mongolia Yitai Coal Co., Ltd.**

## **Terms of Reference of the Nomination Committee under the Board of Directors**

### **CHAPTER 1 GENERAL PROVISIONS**

**Article 1** In order to standardise the selection of the directors and senior management of Inner Mongolia Yitai Coal Co., Ltd. (hereinafter referred to as the “Company”), optimize the composition of the board of directors and improve the corporate governance structure, the Nomination Committee is herein established and the Terms of Reference herein is prepared in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Code of Corporate Governance for Listed Companies in China, the listing rules of the stock exchanges where the Company’s shares are listed, the Code on Corporate Governance of the Hong Kong Listing Rules, the Articles of Association of Inner Mongolia Yitai Coal Co., Ltd. (hereinafter referred to as the “Articles of Association”), the Procedures of Meetings of the Board of Directors of Inner Mongolia Yitai Coal Co., Ltd., and other relevant rules.

**Article 2** The Nomination Committee is a body specially constituted under the board of directors. It is mainly responsible for choosing and providing advice in respect to the criteria and procedures for selection of the directors and senior management of the Company.

### **CHAPTER 2 MEMBERSHIP**

**Article 3** The Nomination Committee members shall be composed of five directors, three of whom shall be independent non-executive directors.

**Article 4** The 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 one-third of all directors and be elected by a simple majority of the members of the Board.

**Article 5** The Nomination Committee shall have a chairman (a convener) who must be an independent non-executive director and shall take charge of the Nomination Committee’s work. The chairman shall be elected from members of the Nomination Committee and shall become effective after the result is reported to, and approved by, the board of directors.

**Article 6** The term of office of the Nomination Committee shall be consistent with the term of the board of directors. Upon the expiration of his term, a member may serve a consecutive term if re-elected. Where a member ceases to perform the duty as a director of the Company during the term, his membership shall be terminated automatically and the replacement shall be appointed by the Nomination Committee in accordance with Articles 3 to 5 above.

**Article 7** The members of the Nomination Committee shall meet the following conditions:

- (1) does not fall into the categories where a person shall not serve as a director, supervisors and senior management in accordance with the Company Law or the Articles of Association;
- (2) has not been publicly denounced or declared as an unsuitable candidate by a stock exchange within the last three years;
- (3) has not been subject to administrative penalty by the China Securities Regulatory Commission due to gross violation of laws and regulations within the last three years;
- (4) possesses good moral character, familiarity with the industry of the Company, the ability to conduct macroeconomic analysis and make judgments and relevant expertise and working experience; and
- (5) other requirements in accordance with relevant laws, regulations or the Articles of Association.

**Article 8** The one who does not conform to the qualifications prescribed in the preceding article shall not be elected as a member of the Nomination Committee. A member of the Nomination Committee who does not conform to the qualifications prescribed in the preceding article during his term shall resign or be replaced by the board of directors.

### **CHAPTER 3 POWERS AND DUTIES**

**Article 9** The principal powers and duties of the Nomination Committee are:

- (1) to review the structure, size and composition (including skills, knowledge and experience) of the board of directors at least once a year and make recommendations regarding any proposed changes to match the Company's strategies; identify individuals suitably qualified to become directors and make selection within the directors nomination list or propose to the board of directors;
- (2) to examine the independence of independent non-executive directors;
- (3) to conduct inspection of the candidates of directors, president and the secretary of the board; to propose to the board of directors regarding appointment or re-appointment and succession (especially for the chairman and manager) schemes of the directors;
- (4) to conduct appraisal on candidates for the secretary of the board nominated by the chairman and candidates for deputy manager and chief financial officer nominated by the manager, and provide appraisal opinions to the Board;

- (5) to formulate the Board diversity policy;
- (6) other matters as authorized by the board of directors.

**Article 10** The Nomination Committee shall report to the board of directors and submit proposals to the board of directors for consideration and approval; controlling shareholders shall fully respect the recommendations of the Nomination Committee and shall not propose alternatives to the candidates nominated by the Nomination Committee for directors or senior management unless there are good reasons or reliable evidence to the contrary.

## **CHAPTER 4 DECISION-MAKING PROCEDURES**

**Article 11** Pursuant to relevant laws, regulations and the Articles of Association, in accordance with the actual situation, the Nomination Committee shall study the requirements, procedure and term for the selection of the directors and senior management, record the resolutions upon formulation, submit such resolutions to the board of directors for approval and implement the resolutions accordingly.

**Article 12** The selection procedure of the directors and senior management shall be as follows:

- (1) the Nomination Committee shall actively communicate with relevant departments of the Company, study the Company's demand for new directors and senior management, and put down such information in writing;
- (2) the Nomination Committee may search candidates for directors and senior management within the Company, the companies in which the Company has a controlling or partial ownership, and the personnel market, etc;
- (3) to search information about the occupation, education background, title, detailed working experience and all part-time jobs of the first-selected candidates and put down such information in writing;
- (4) to obtain the nominees' consent; otherwise, the nominees shall not be regarded as candidates for directors and senior management;
- (5) to convene the Nomination Committee meetings and conduct qualification examination of the first-selected candidates in accordance with qualification requirements for directors and senior management;
- (6) to submit proposals and relevant materials regarding the candidates of director and newly appointed senior management to the board of directors one or two months before election of new directors and appointment of new senior management;
- (7) other follow-up matters in accordance with the decision and feedback from the board of directors.

## CHAPTER 5 RULES OF PROCEEDINGS

**Article 13** The Nomination Committee shall hold regular meetings at least once every year. All members of the Committee shall be notified fourteen (14) days prior to such meeting. In the event that the board of directors or the chairman of the Nomination Committee considers it necessary to hold a special Nomination Committee meeting or more than half of the members of the Committee propose to do so, all members of the Committee shall be notified five (5) days prior to such meeting. In case of an emergency or other special events, the aforesaid time and requirements of notice may be waived upon approval of the chairman, and the meeting notice may be sent at any time, but the chairman of the Nomination Committee shall make an explanation at the meeting. The chairman of the Nomination Committee shall convene and preside over the meetings of the Nomination Committee. Where the chairman is unable to perform his duties, he shall appoint another member (independent non-executive director) to perform the duties on his behalf. Where the chairman is unable or fails to perform his duties and he fails to appoint another member to perform the duties on his behalf, any member who shall be elected by more than half of the members of the Committee shall perform the duties of the chairman.

The notice of the Nomination Committee meetings shall include, as a minimum, the followings:

- (1) the time and venue of the meeting;
- (2) the issues to be discussed at the meeting;
- (3) the contact of the meeting and contact information;
- (4) the date of the notice of the meeting.

**Article 14** The Nomination Committee meetings shall be held only with the presence of two thirds of the members or above. Each member shall be entitled to one vote. The resolutions made by the meeting must be approved by one half of all the members or above.

**Article 15** The members of the Nomination Committee may attend the meetings in person or delegate other members to attend the meetings and exercise the voting rights.

**Article 16** The members of the Nomination Committee who delegates other members to attend the meetings and exercise the voting rights shall submit a power of attorney to the president of the meeting. The power of attorney shall be submitted to the president of the meeting no later than the voting of the meeting begins.

**Article 17** The power of attorney shall include, as a minimum, the followings:

- (1) the name of the principal;

- (2) the name of the agent;
- (3) the entrusted matters;
- (4) the term of authorization;
- (5) the instruction to how to exercise the voting rights (i.e. for, against, abstain) in respect of the proposals of the meeting and the declaration about whether the agent can vote based on his own decision when there is no specific instruction; and
- (6) the signature of the principal and the signing date.

**Article 18** The members of the Nomination Committee shall be regarded as absent from the meetings if he does not attend such meetings in person, nor delegate a member to attend such meetings on his behalf. The members of the Nomination Committee shall be regarded not capable to perform his duty if he does not attend the meetings twice successively and the board of the directors of the Company may revoke his position as a member.

**Article 19** At the Nomination Committee meetings, voting shall be made by casting of vote, and meetings may take the form of correspondence.

**Article 20** The directors, supervisors and other senior management may be invited to attend the Nomination Committee meetings as observers if necessary.

**Article 21** If necessary, the Nomination Committee may appoint intermediaries to provide professional advice for its decision-making at the costs and expenses of the Company.

**Article 22** If the Nomination Committee meeting discuss issues regarding a member, the member should be avoided therefrom.

**Article 23** The convening procedure and voting method of the Nomination Committee meetings and the resolutions passed at such meetings shall comply with the relevant laws, regulations, the Articles of Association and these Terms of Reference.

**Article 24** The Nomination Committee meetings shall have minutes on which members of the Nomination Committee attending the meetings shall sign. Any member who objects to the minutes may not sign, but shall submit a written opinion to the board secretary within the aforementioned period. If errors or omissions occur to the minutes, the board secretary shall revise and the members shall sign after such revision. The minutes shall be lodged by the board secretary for ten years.

The minutes of the Nomination Committee meetings shall include, as a minimum, the followings:

- (1) the date, venue and the convener of the meeting;

- (2) the names of the attendees with indications if an agent is entrusted for the meeting;
- (3) the meeting agenda;
- (4) the key points of the members' speeches;
- (5) the voting method and poll results for each resolution (the poll results shall explicitly indicate the voting numbers in respect of for, against and abstain); and
- (6) other matters need to be indicated and recorded in the meeting minutes.

**Article 25** Resolutions passed and voting results of the Nomination Committee meetings shall be reported to the board of directors of the Company in writing.

**Article 26** Members present at the meetings shall have an obligation to keep all matters discussed in such meetings confidential, and shall not disclose the relevant information without authorization.

## **CHAPTER 6 SUPPLEMENTARY PROVISIONS**

**Article 27** These Terms of Reference shall come into effect on the date the board resolution is approved.

**Article 28** Any matters not covered by these Terms of Reference shall be implemented in accordance with the provisions of the relevant laws and regulations of the State and the Articles of Association. Should these Terms of Reference conflict with future laws and regulations of the State or the Articles of Association amended through lawful procedures subsequently, the relevant State laws and regulations, rules of securities regulatory bodies and stock exchange and the Articles of Association shall prevail, and these Terms of Reference shall be revised immediately and the revision shall be reported to the board of directors for consideration and approval.

**Article 29** The power to formulate, amend and interpret these Terms of Reference rests with the board of directors of the Company. "More than" referred in these Terms includes the underlying number.

**Article 30** These Terms of Reference is made in Chinese and the English translation is for reference only. Should there be any inconsistency or discrepancy between the English and the Chinese versions, the Chinese version shall prevail.

Board of Directors of Inner Mongolia Yitai Coal Co., Ltd.

29 March 2023