



**Changsha Broad Homes Industrial Group Co., Ltd.**  
**長沙遠大住宅工業集團股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2163)**

**Changsha Broad Homes Industrial Group Co., Ltd.**

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

**Chapter 1 General Provisions**

- Article 1 In order to regulate the formation of the management of Changsha Broad Homes Industrial Group Co., Ltd. (the “**Company**”), optimize the composition of the board of directors (the “**Board**”) and senior management and improve the corporate governance structure, the Company has established the nomination committee (the “**Committee**”) of the Board of the Company and formulated these terms of reference in accordance with the Company Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), the Articles of Association of Changsha Broad Homes Industrial Group Co., Ltd. (the “**Articles of Association**”), the Rules of Procedures for the Board of Directors of Changsha Broad Homes Industrial Group Co., Ltd. and other relevant laws, regulations and regulatory documents.
- Article 2 The Committee is a special executive body under the Board and is mainly responsible for selecting and giving suggestions on candidates, selection criteria and procedures for the directors and the senior management of the Company.
- Article 3 For the purpose of these terms of reference, any reference to the “senior management” shall represent the general manager, deputy general manager, financial controller, secretary to the Board and other personnel specified in the Articles of Association.
- Article 4 The Committee shall be accountable to the Board and report to the Board.
- Article 5 These terms of reference are applicable to the Committee and relevant personnel and departments involved in these terms of reference.

## **Chapter 2 Composition and Organization of the Committee**

- Article 6 The Committee shall consist of no less than three directors, and the majority of whom shall be independent non-executive directors. Members of the Committee shall be nominated by the chairman of the Board for election by the Board and those nominees receiving affirmative votes from more than fifty percent of all directors shall be duly elected.
- Article 7 The Committee shall have one chairman who shall be either the chairman of the Board or an independent non-executive director. The chairman shall be nominated by the chairman of the Board and his/her appointment shall be considered and approved by the Board.
- Article 8 The term of office of the Committee is the same as that of the corresponding session of the Board, and the terms of office of the members of the Committee are the same as that of the directors. Members may be re-elected when their terms of office expire. Where any member of the Committee, during his/her term of office, ceases to serve as a director of the Company or loses his/her independence as an independent non-executive director as required by the Hong Kong Listing Rules, he/she shall be disqualified as a member automatically. A member may not be removed without cause before the expiration of his/her term, unless there is any circumstance that the member shall not be in office in accordance with the laws, regulations, the Articles of Association or these terms of reference.
- Article 9 Members of the Committee may tender their resignations to the Board before the expiration of their terms of office. To resign, members of the Committee shall submit a resignation report to the Board and describe the reasons for his/her resignation and matters needed to be concerned by the Board of the Company therein. If the number of members of the Committee falls below the minimum number as provided herein, the resigned member shall continue to perform the relevant duties until an alternate member of the Board takes office.
- Article 10 The members of the Committee may be changed within their terms of office if proposed by the chairman of the Board and approved upon consideration by the Board.
- Article 11 A member of the Committee may hold membership of other special committees under the Board provided that he/she is able to perform his/her duties.
- Article 12 If the number or composition of members of the Committee fails to meet the requirements as provided herein, the Board shall arrange for making up the shortfall in accordance with the provisions in these terms of reference or the Articles of Association.

Article 13 With the coordination of the office of the Board, the human resources department of the Company, acting as the Committee's executive body, shall provide supports and services to the Committee and take on any job assigned by the Committee.

### **Chapter 3 Duties and Functions of the Committee**

Article 14 The major duties and functions of the Committee shall be:

- (1) To formulate the standards, procedures and methods for selection of directors and senior management of the Company and submit the same to the Board for consideration;
- (2) To review the structure, size, composition and member qualifications (including skills, expertise and experience) of the Board at least once each year, and to make recommendations for any change to the Board for complying with the strategy of the Company. The Committee shall maintain a Board membership diversity policy;
- (3) To identify individuals suitably qualified to become directors, and to examine the candidates for directors, general manager and secretary to the Board and make recommendations;
- (4) To screen the candidates for other management members and provide advice to the Board;
- (5) To evaluate the overall skill, expertise and experience of directors and senior management and assess the independence of the independent non-executive directors;
- (6) To look for suitable candidates for vacant positions from the domestic and overseas human resources markets and within the Company, and make recommendations to the Board;
- (7) To propose the human resources retention scheme and provide recommendations to the Company;
- (8) To make recommendations to the Board on the appointment or re-appointment of directors and succession plan for directors, in particular the chairman of the Board and the general manager;
- (9) To review the Board diversity policy and any measurable objective for implementing such Board diversity policy as may be adopted by the Board from time to time and to review the progress on achieving the objectives, and to make disclosure of such diversity policy or its summary and its review results in the corporate governance report of the Company annually; and

- (10) Other duties and functions as stipulated in the laws, regulations, listing rules of the places where the securities of the Company are listed, including the Hong Kong Listing Rules, and these terms of reference and as delegated by the Board.

Article 15           The duties and functions of the chairman of the Committee shall be:

- (1) To convene and preside over meetings of the Committee;
- (2) To supervise and examine the work of the Committee and the implementation of the resolutions of the Committee;
- (3) To sign relevant documents of the Committee;
- (4) To report the work of the Committee to the Board of the Company;
- (5) To attend the annual general meeting (if the chairman of the Committee is unable to attend, another member of the Committee shall attend, or if such member is unable to attend, an appropriately appointed representative shall attend) and answer questions concerning the work and responsibilities of the Committee at the meeting;
- (6) Other duties and functions as stipulated in the laws, regulations, listing rules of the places where the securities of the Company are listed, including the Hong Kong Listing Rules, and these terms of reference and as required or delegated by the Board.

Article 16           The major duties and functions of the members shall be:

- (1) To attend the meetings of the Committee on time and to express opinions on the matters deliberated at the meetings and exercise their voting rights;
- (2) To propose matters to be deliberated at the meetings of the Committee;
- (3) To attend relevant meetings of the Company as non-voting delegates or visitors, to conduct surveys and researches and to collect relevant information such as reports, documents and materials for the purpose of discharging their duties and functions;
- (4) To fully understand the duties and functions of the Committee and those of himself/herself as a member of the Committee and to acquaint himself/herself with relevant information on the operation and management, business activities and development of the Company to ensure his/her capacity for discharging duties and functions;

- (5) To fully ensure that he/she has sufficient working hours and energy to fulfil his/her duties and functions;
- (6) Other duties and functions as stipulated in the laws, regulations, listing rules of the places where the securities of the Company are listed, including the Hong Kong Listing Rules, and these terms of reference and as delegated by the Board.

## **Chapter 4 Meetings of the Committee**

- Article 17 Meetings of the Committee can be classified as regular meeting and extraordinary meeting.
- Article 18 The Committee shall convene at least one regular meeting every year and shall issue a three-day prior written notice to all members.
- Article 19 The Committee may convene extraordinary meetings when necessary. In any of the following circumstances, within three days of the occurrence of the relevant facts, the chairman of the Committee shall issue a notice to convene a meeting:
- (1) in circumstances as deemed necessary by the Board;
  - (2) in circumstances as deemed necessary by the chairman of the Committee;
  - (3) when proposed by two or more members of the Committee.
- Article 20 The executive body of the Committee shall be responsible for delivering the notice of meeting in writing to each member of the Committee and relevant persons invited to attend the meeting three days prior to the date of the meeting (except in special circumstances where the obligation of advance notice may be exempted, but the chairperson of the meeting shall make an explanation at the meeting). The notice of meeting shall contain information on the method, time, venue, duration and agenda of the meeting, time of issuance of the notice, contact person of the meeting, contact method and relevant information.
- Article 21 Upon receipt of the notice of meeting, each member of the Committee shall provide confirmation and any relevant feedback (including but not limited to confirmation of attendance or absence and any other arrangement) via proper means in a timely manner.
- Article 22 A meeting of the Committee may only be validly held when all members attend the meeting.

Article 23 The members of the Committee shall attend the meeting in person. If a member is unable to attend the meeting in person, such member shall, by signing and submitting a letter of proxy, authorize another member of the Committee to attend and express opinions at the meeting on his/her behalf. Such letter of proxy shall expressly state the scope and term of the authorization. Each member shall appoint only one other member as his/her proxy to vote on his/her behalf at each meeting. Where any member appoints two or more members to vote on his/her behalf, such appointment shall be deemed invalid. No member shall accept any such authorization from two or more other members concurrently.

The member attending the meeting on behalf of another member shall exercise the rights within the scope of authorization. If a member does not attend a meeting in person or authorize another member to attend such meeting on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting, he/she shall be deemed to have waived his/her rights.

A member who is unable to attend a meeting in person may also exercise his/her rights by submitting in writing his/her opinion with respect to any matter on the meeting agenda, provided that such written opinion shall be submitted to the executive body of the Committee no later than the meeting.

Article 24 If any member of the Committee does not attend a meeting of the Committee in person or authorize another member of the Committee to attend such meeting on his/her behalf, nor does he/she submit any opinion in writing prior to the meeting on two consecutive occasions, or if such member fails to attend in person three-quarters of all meetings of the Committee held during any year, such member shall be deemed incapable of performing the duties of the Committee, and the Board may change the members of the Committee in accordance with these terms of reference.

Article 25 A meeting shall be presided over by the chairman of the Committee, who may appoint another member of the Committee to do so on his/her behalf when he/she is unable to attend the meeting. In the circumstances where the chairman of the Committee neither fulfils his/her duties nor delegates his/her duties to another member of the Committee, any member of the Committee may report such circumstances to the Board of the Company and the Board of the Company shall appoint one member of independent non-executive directors to perform the chairman's duties.

## **Chapter 5 Procedures of Meetings**

Article 26 Each member of the Committee shall have one vote. More than half of the votes of all members are required to pass a resolution. Where the Committee is unable to form a valid resolution due to the abstention of members, such matter shall be submitted to the Board for consideration.

- Article 27 In general, the Committee shall physically meet on site to hold a meeting. Method of voting shall be show of hands or poll. Under special circumstances, on the premise that the members of the Committee are able to sufficiently express their opinions, with the consent of the chairman of the Committee, meetings may be held by means of remote communication. Where a meeting is conducted by means of remote communication, the members of the Committee shall submit to the Board their written opinions with respect to the agenda items within the period prescribed by the notice of the meeting.
- Article 28 The agenda items shall be discussed during the meeting of the Committee. The members of the Committee shall explicitly, independently and fully express their opinions based on their judgment. In the case of any different opinion, such different opinion shall be stated in the minutes of the meeting to be presented to the Board.
- Article 29 The Committee may invite directors of the Company, relevant senior management, relevant experts of the Company or external experts, scholars, intermediary agencies and other relevant personnel to attend the meeting. Such personnel invited to attend the meeting shall give explanation and elaboration on any issue as required by any member of the Committee.
- Article 30 The Committee may, when deemed necessary and approved by the Board, appoint an external professional or agency to provide professional advice, and the reasonable costs incurred therefrom shall be borne by the Company.
- Article 31 The procedures, voting method and the pass of resolutions in the meetings of the Committee shall comply with the provisions of relevant laws, regulations, the Articles of Association and these terms of reference.
- Article 32 If a member of the Committee is interested in any matter being considered by the Committee, such member shall refrain from the discussion and decision of such matter.
- Article 33 All personnel attending the meeting shall have the obligation to keep all matters discussed at the meeting confidential and shall not disclose any information relating thereto without authorization.

## **Chapter 6 Minutes and Summary of the Meetings of the Committee**

Article 34 Minutes shall be prepared for the meetings of the Committee. The minutes shall be prepared by the executive body of the Committee, and shall include the following information:

- (1) Serial number, method, date, venue and name of the chairperson of the meeting;
- (2) The attendance of members personally or by proxy;
- (3) Name and title of each attendee;
- (4) Matters considered at the meeting;
- (5) Main points made by the members of the Committee and other relevant attendees;
- (6) Name of the person taking minutes;
- (7) The minutes or resolutions of meetings shall specify the abstention of interested member(s) (where applicable).

The members of the Committee present at the meeting shall sign the minutes of the meeting of the Committee.

Article 35 After each meeting of the Committee, the executive body of the Committee shall prepare a meeting summary recording the considerations and discussions during the meeting.

Copies of the meeting summary shall be submitted to the Board of the Company and sent to the members of the Committee, secretary to the Board, the human resources department of the Company and other relevant departments and personnel.

Article 36 Meeting minutes, meeting summary, letters of proxy, written opinions of the members of the Committee and other materials of the meeting shall be handled by the office of the Board in accordance with relevant requirements.



## **Chapter 7 Supplementary Provisions**

- Article 37 Unless otherwise stated, terms used in these terms of reference shall have the same meanings ascribed to them in the Articles of Association.
- Article 38 For any matter not covered in these terms of reference, and in the event of any contradiction with any provision of the laws, administrative regulations, regulatory documents, relevant administrative regulations of the places where the shares of the Company are listed, including the Hong Kong Listing Rules, or the Articles of Association as amended under lawful procedures promulgated after these terms of reference become effective, the provisions of such laws, administrative regulations, regulatory documents, relevant administrative regulations of the places where the shares of the Company are listed, including the Hong Kong Listing Rules, and the Articles of Association shall prevail. Amendments to these terms of reference shall be made forthwith and submitted to the Board for consideration and approval.
- Article 39 These terms of reference shall be passed upon consideration and approval by the Board and become effective on the date of listing of the overseas-listed foreign shares of the Company on The Stock Exchange of Hong Kong Limited.
- Article 40 The right of interpretation and amendment of these terms of reference rests with the Board of the Company.
- Article 41 These terms of reference are available in both Chinese and English versions. In case of inconsistencies between the two versions, the Chinese version shall prevail.