

*(This document is prepared in English. In the event of any inconsistency between the English and Chinese versions, the English version shall prevail.)*

**CHINA VANADIUM TITANO-MAGNETITE MINING COMPANY LIMITED**  
(the "**Company**")

**TERMS OF REFERENCE**

A14  
A.5.2

**OF**

**NOMINATION COMMITTEE** (the "**Committee**")

(Revised and adopted pursuant to the board resolution passed on 27 December 2018 and effective from 1 January 2019)

**Membership**

1. The Committee shall be appointed by the board of directors of the Company (the "**Board**") from amongst the directors and shall consist of not less than three members. A14  
A.5.1
2. The majority of the members of the Committee shall be independent non-executive directors of the Company. A14  
A.5.1
3. The chairman of the Committee shall be appointed by the Board and shall be the chairman of the Board or an independent non-executive director of the Company. A14  
A.5.1
4. The term of membership will be one year from the date of appointment subject to renewal and shall be governed by the provisions of the articles of association of the Company (the "**Articles**").
5. The appointment of the members of the Committee may be revoked, and new member can be appointed in place by resolutions passed by the Board.
6. No alternate Committee member can be appointed.

**Secretary**

7. The company secretary of the Company or his nominee shall act as the secretary of the Committee.

**Frequency and proceedings of meetings**

8. Meetings shall be held not less than once a year. Additional meetings should be held as and when the Committee considers necessary.
9. The chairman of the Committee may convene additional meetings at his discretion.
10. The quorum of a meeting shall be two members of the Committee, at least one of whom is an independent non-executive director.
11. Unless expressly provided otherwise, proceedings of meetings of the Committee shall be governed by the provisions of the Articles.

## Authority

12. The Committee is authorised by the Board:
- (a) to determine the nomination of directors of the Company, the procedures, process and criteria to be adopted for the purposes of selecting and recommending candidates for directorship;
  - (b) to review, assess and make recommendations upon any issue within its terms of reference;
  - (c) to obtain independent professional advice, at the Company's expenses, to assist and/or advise the Committee on issues as it considers necessary; and A14  
A.5.4
  - (d) to be provided with sufficient resources to perform its duties. A14  
A.5.4

## Duties, powers and functions

13. In addition to any other duties, powers and functions which may be assigned from time to time by the Board, the Committee is to:
- (a) formulate a director nomination policy of the Company (the "**Nomination Policy**") for the Board's consideration and implement the Board's approved nomination policy; and
  - (b) without prejudice to the generality of the foregoing: A14  
A.5  
A.5.2(a)
    - (i) to review the structure, size, composition (including the skills, knowledge and experience) and diversity (including but not limited to gender, age, cultural and educational background, ethnicity, skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; A14  
A.5.2(b)
    - (ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships with due regard to the Nomination Policy and the board diversity policy of the Company (the "**Board Diversity Policy**") and other factors which are relevant to the Company (including but not limited to the individuals' ability to contribute to the effectiveness of the Board in carrying out its responsibilities set out in the Articles, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) (the "**Listing Rules**"), applicable laws, rules and regulations);
    - (iii) to develop and formulate the Nomination Policy and the Board Diversity Policy for the Board's consideration and approval; A.5.6
    - (iv) to discuss any revisions to the Nomination Policy and the Board Diversity Policy that may be required, and recommend such revisions to the Board for the Board's consideration and approval;

- (v) to review, implement and monitor, as appropriate, the Nomination Policy and the Board Diversity Policy; L(d)(ii)
- (vi) to review measurable objectives that the Board has set for implementing any of the Nomination Policy and the Board Diversity Policy, and monitor the progress on achieving such objectives; L(d)(ii)
- (vii) to assess the independence of independent non-executive directors with reference to, inter alia, the factors set out in the Listing Rules and any other factors deemed appropriate by the Committee or the Board and assess their ability to devote sufficient time to the Board and board committees; A14  
A5.2(c)
- (viii) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and chief executive; A14  
A5.2(d)
- (ix) to develop the criteria for identifying and assessing the qualifications of and evaluating candidates for directorship; A5.5
- (x) to keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the market place;
- (xi) to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- (xii) to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Articles or imposed by legislation.

### **Reporting procedures**

14. The Committee should report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the chairman of the Committee shall report to the Board on the work, significant decisions, findings and recommendations of the Committee since last Board meeting.
15. The secretary of the Committee or his nominee shall circulate the minutes of meetings and all written resolutions of the Committee to all members of the Board, keeping the Board informed of the Committee's activities, decisions and recommendations on a regular basis.
16. Where the Committee recommends to the Board on the appointment, re-appointment or succession of an individual as an independent non-executive director, the Committee shall report the following to the Board:
  - (a) the process used for identifying the individual, the reasons of the Committee's recommendation, the Committee's view as to whether the individual is independent and the reasons thereof;
  - (b) the Committee's view as to whether the individual would be able to devote

sufficient time to the Board and board committees and the reasons thereof (particularly where the proposed independent non-executive director will be holding his/her seventh (or more) listed company directorship);

- (c) the Committee's view on the perspectives, skills and experience that the individual would bring to the Board; and
- (d) the Committee's view on the individual's contribution to the diversity of the Board.

## **Nomination policy**

### *Scope*

- 17. The Nomination Policy applies to the directors of the Company and where applicable, senior management prepared for Board positions under the succession planning of the Company.

### *Responsibilities*

- 18. The Board has delegated its authority, duties, powers and functions to the Committee as set out in paragraphs 12 and 13 above.

Without prejudice to the authority, duties, powers and functions of the Committee as set out in paragraphs 12 and 13 above, the ultimate responsibility for selection and appointment of directors of the Company rests with the entire Board.

### *Nomination criteria*

- 19. In evaluating and selecting any candidate for directorship, the following criteria should be considered:
  - (i) Character and integrity;
  - (ii) Qualifications including professional qualifications, skills, knowledge and experience, and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy;
  - (iii) Any measurable objectives adopted for achieving diversity on the Board;
  - (iv) Requirement for the Board to have independent non-executive directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules;
  - (v) Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;
  - (vi) Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or board committee(s) of the Company; and
  - (vii) Such other perspectives that are appropriate to the Company's business

and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Committee from time to time for nomination of directors and succession planning.

The provisions set out in the above paragraphs 13(b)(i), (ii), (vii) and (viii) are also regarded as the key nomination criteria and principles of the Company for the nomination of directors, and these provisions form part of the Nomination Policy.

*Nomination procedures*

20. (a) Appointment of new directors

- (i) The Committee identifies individual(s) suitably qualified to become Board members based on its assessment on the character, biographical information and other relevant details of such individual(s), having due regard to the Nomination Policy and the Board Diversity Policy, and assesses the independence of the proposed independent non-executive director(s) as appropriate;
- (ii) If the Committee has identified more than one individual who are suitably qualified for directorship based on the above assessment, the Committee should rank them by order of preference based on the needs of the Company and reference check of each individual (where applicable);
- (iii) The Committee makes recommendation(s) to the Board;
- (iv) The Board considers the individual(s) recommended by the Committee, having due regard to the assessment of the Committee, the Nomination Policy and the Board Diversity Policy;
- (v) The Board confirms the appointment of the individual(s) as director(s) or recommends the individual(s) to stand for election at a general meeting. Individual(s) appointed by the Board to fill a casual vacancy or as an addition to the Board will be subject to re-election by shareholders of the Company (the "**Shareholders**") in accordance with the Articles; and
- (vi) The Shareholders approve the election of individual(s), who stand(s) for election at general meeting, as director(s).

(b) Re-appointment of retiring directors

- (i) The Committee considers each retiring director based on its review of each retiring director's overall contribution, services to the Company, and the level of participation and performance on the Board, having due regard to the Nomination Policy and the Board Diversity Policy, and assesses the independence of each retiring independent non-executive director;
- (ii) The Committee makes recommendation(s) to the Board;
- (iii) The Board considers each retiring director recommended by the

Committee, having due regard to the Committee review of each retiring director, the Nomination Policy and the Board Diversity Policy;

- (iv) The Board recommends the retiring directors to stand for re-election at the annual general meeting in accordance with the Articles; and
  - (v) The Shareholders approve the re-election of directors at the annual general meeting.
21. The Board shall have the ultimate responsibility for all matters relating to the selection and appointment of directors. Where the Board proposes a resolution to elect or re-elect a candidate as director at a general meeting, the relevant information of the candidate will be disclosed in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or other applicable laws and regulations.

*Principles to consider*

22. In carrying out its responsibilities, the Committee should give adequate consideration to the following principles:
- (a) in relation to Board composition – the Board should have a balance of skills, experience, diversity of gender and diversity of perspectives appropriate to the Company’s business. It should ensure that changes to its composition can be managed without undue disruption. It should include a balanced composition of executive and non-executive directors (including independent non-executive directors) so that there is a strong independent element on the Board, which can effectively enhance decision making capability of the Board. Non-executive directors should be of sufficient calibre and number for their views to carry weight; and
  - (b) in relation to appointments, re-election and removal – there should be a formal, considered and transparent procedure for the appointment of new directors. There should be plans in place for orderly succession for appointments. All directors should be subject to re-election at regular intervals. The Company must explain the reasons for the resignation or removal of any director.

*Disclosure*

23. A summary of the Nomination Policy, including the nomination criteria and nomination procedures adopted for the selection and recommendation for directorships, should be disclosed in the Company's corporate governance report.

*Regular review*

24. The Committee will conduct regular review on the structure, size and composition of the Board, the Board Diversity Policy, and the Nomination Policy and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs.