

# BEIJING ENTERPRISES HOLDINGS LIMITED

## Composition and Terms of Reference of the Nomination and Governance Committee

### CHAPTER I GENERAL PROVISIONS

**Article 1** To improve the corporate governance structure of Beijing Enterprises Holdings Limited (the “Company”), to strengthen the selection mechanism for directors (the “Directors”) and senior management (including vice presidents of the Company and above, the "Senior Management") of the Company as well as for the development of the board of directors, to establish and enhance the governance system of the Company and its holding enterprises, and to improve the overall effectiveness of corporate governance, the Nomination and Governance Committee (the “Committee”) is hereby established under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the New Articles of Association of Beijing Enterprises Holdings Limited (the “Articles”), with corporate governance duties added to the terms of reference of the former Nomination Committee, and its name being changed accordingly, the Terms of Reference (the “Terms of Reference”) are hereby formulated to govern the Committee.

**Article 2** The Committee is a professional committee established under the board of directors of the Company (the “Board”). It shall operate within the scope of the authority delegated by the Board and shall be accountable to the Board.

**Article 3** The primary duties of the Committee include the selection, evaluation, and succession planning of Directors and Senior Management; oversee the structure and effectiveness of the Board; assess the independence of Directors; and establish and supervise the effective operation of the corporate governance framework to facilitate corporate compliance with relevant legal and regulatory requirements and its own development needs.

### CHAPTER II COMPOSITION AND MEMBERSHIP

**Article 4** The Committee shall consist of not less than three Directors (the “Members”), a majority of whom shall be independent non-executive Directors of the Company, and the total number of Members shall be an odd number.

**Article 5** The Members shall be nominated by the chairman of the Board and appointed upon approval by the Board. The Committee shall have a chairman (the “Chairman”), who shall be the chairman of the Board.

**Article 6** The term of office of a Member shall be the same as his or her term of office as a Director. A Member may be eligible for re-election. When a Member ceases to be a Director, his or her term of office and position in the Committee shall terminate automatically.

**Article 7** The Company Secretary shall act as the secretary of the Committee who will be responsible for the daily affairs of the Committee and the organisation of the Committee Meetings (the “Meetings”).

### **CHAPTER III DUTIES, AUTHORITIES AND FUNCTIONS**

**Article 8** The Committee shall exercise the following duties, which cover the two major functions of personnel management of the Board and the management of the Company (the “Management”) and corporate governance of the Company:

#### **1. Personnel Management Functions of the Board and the Management**

##### **(a) Assessment, Supervision and Independence Assurance**

(i) to review the composition and performance of the Board and its committees; to oversee and evaluate the performance of Directors and Senior Management, and to report to the Board;

(ii) to participate in organising and guiding the evaluation of the effectiveness of the Board;

(iii) to review and assess the independence of independent non-executive Directors and their relevant declarations;

(iv) to identify and review potential and material conflicts of interest of Directors, and to supervise their annual declarations of interests.

##### **(b) Selection, Nomination and Succession Planning**

###### **(i) Recommendations on Appointment and Removal:**

(A) to make recommendations to the Board on the appointment and removal of Directors, members of Board committees (other than this Committee), and Senior Management;

(B) to make recommendations to the Board on the appointment and removal of directors and senior management appointed to the entities under the control of the Company;

(ii) to participate in identifying and selecting suitable candidates to serve as Directors and Senior Management;

(iii) to participate in formulating succession plans for Directors and Senior Management.

(c) Diversity and Inclusion Management

(i) to review and evaluate at least annually the diversity of Board members and Senior Management in terms of gender, background, expertise, knowledge, skills, and related policies, and to formulate measurable targets;

(ii) to evaluate the composition structure of the Board and the background, expertise, knowledge, and skills of Directors, and to make recommendations to the Board;

(d) Capability Development and Training

to review the training and professional development plans for Directors and Senior Management to support and enhance their capabilities to perform their duties.

(e) Development of Systems, Standards and Procedures

to formulate, maintain, and regularly review the selection mechanisms and criteria for Directors and Senior Management, as well as the relevant nomination policies and approval procedures.

**2. Corporate Governance Functions**

(a) Governance Structure, Policies, and System Development

(i) to regularly evaluate the Articles, the terms of reference of the Board and its committees, the code of conduct for Directors, and other Board management systems, and to make recommendations for Board consideration when necessary;

(ii) to regularly evaluate the corporate governance policies, structures, and effectiveness of the Company and the companies under its control, and to make recommendations to the Board based on the principle of fulfilling and promoting the strategic implementation and operational development of the Company and the entities under its control;

(iii) to regularly evaluate the Board development of the entities under the Company's control, including making recommendations on their composition, structure, and effectiveness.

(b) Supervision of Governance Operation

to oversee the operation of the corporate governance system, track the effectiveness of governance implementation, and make recommendations for improvement and follow up on their implementation.

### (c) Governance Information Disclosure

to review the yearly Corporate Governance Report of the Company and other relevant governance information disclosure documents, to ensure they accurately and comprehensively reflect the governance status of the Company and comply with regulatory requirements.

### **3. Other Responsibilities**

(i) to consider other material matters relating to nomination and governance that are required to be considered and decided by the Committee.

(ii) to exercise other relevant authorities as resolved or authorised by the Board.

**Article 9** The Committee has the authority to:

1. request relevant departments and personnel of the Company to provide necessary information;
2. engage external experts or advisers to provide professional opinions;
3. attend or receive reports from relevant meetings;
4. hold discussion meetings or conduct interviews with relevant personnel.

## **CHAPTER IV PROCEEDINGS OF MEETINGS**

**Article 10** Meetings shall be convened and chaired by the Chairman. If the Chairman is unable to perform his or her duties, he or she may appoint a Member in writing to chair the meeting on his or her behalf.

**Article 11** The Committee shall meet at least twice a year. Additional meetings may be held as and when necessary, subject to the consent of more than one-third of the Members.

**Article 12** Meeting materials shall be sent to all Members at least three days in advance before a Meeting is held. The meeting materials shall include the notice, agenda, discussion items, and relevant background documents.

**Article 13** Meetings may be held by way of physical meeting, telephone conference, video conference, or a combination of the above methods.

**Article 14** The Chairman may decide to consider matters by way of a resolution in writing, and such written resolution shall have the same effect as resolutions passed at a meeting.

**Article 15** A quorum for a Meeting shall be more than half of the Members attending the Meeting.

**Article 16** The Committee may, when necessary, invite relevant personnel of the Company (including but not limited to the Company Secretary, General Counsel, Chief Financial Officer and heads of departments), external experts, or advisers to attend Meetings.

**Article 17** Matters discussed at a Meeting shall be decided by a vote of the Members present at the Meeting. A matter shall be approved if it receives the affirmative vote of more than half of the Members present at the Meeting. In the case of an equality of votes, the Chairman shall have the casting vote.

## **CHAPTER V MEETING MATERIALS, MINUTES AND RESOLUTIONS**

**Article 18** The secretary of the Committee shall be responsible for the preparation and distribution of meeting materials, which shall include at least the following:

1. Notice of Meeting (specifying the time, place, method, and discussion items of the Meeting, etc.);
2. Agenda (detailing the discussion items, sequence, presenters, and attendees, etc.);
3. Discussion item reports and materials (prepared by the department initiating the discussion item);
4. Voting slips (if applicable).

**Article 19** Formal minutes of the Meeting shall be prepared, which shall include the following:

1. Basic Meeting Information: time, place, chairman, list of Members present and attendees;
2. Matters Considered: record the key points of each proposal report, Members' discussion opinions, and questions;
3. Voting Results: the outcome of the vote on each proposal;
4. Other matters that need to be recorded.

**Article 20** The minutes of a Meeting shall be finalised within a reasonable period of time after the Meeting and shall be circulated to the Members present for their review and signature confirmation.

**Article 21** A resolution of the Meeting shall be prepared based on the voting results. The resolution shall be clear and unambiguous, and shall include (if applicable) the matter resolved, conditions for effectiveness, implementation requirements, and the responsible department.

**Article 22** Resolutions of the Meeting shall be signed by the Members present. The text of the resolutions shall be distributed to the relevant implementing department.

**Article 23** All documents and records of the Meeting shall be centrally archived by the Corporate Governance Department.

#### **CHAPTER VI REPORTING PROCEDURES**

**Article 24** The Committee shall regularly report its work and findings to the Board on an annual basis.

#### **CHAPTER VII SUPPLEMENTARY PROVISIONS**

**Article 25** The Terms of Reference shall take effect from the date of approval by the Board.

**Article 26** The Terms of Reference shall be formulated, amended, and interpreted by the Corporate Governance Department under the authorisation of the Board.