

**SHOUGANG CENTURY HOLDINGS LIMITED**  
**BOARD COMMITTEE**  
**NOMINATION COMMITTEE - TERMS OF REFERENCE**

Established on 4<sup>th</sup> April 2005 pursuant to the Code on Corporate Governance Practices effective on 1<sup>st</sup> January 2005.

**1. Functions**

The Nomination Committee (the “Nomination Committee”) is appointed by the board (the “Board”) of directors (the “Directors”) of Shougang Century Holdings Limited (the “Company” / “Shougang Century”) to, having regard to the independence and quality of nominees, make recommendations to the Board so as to ensure that all nominations are fair and transparent.

**2. Membership**

- 2.1 The Nomination Committee shall comprise a majority of independent non-executive Directors (“INEDs”), with at least one member of different gender.
- 2.2 The Chairman and Vice-Chairman of the Nomination Committee shall be appointed by the Board. The Chairman of the Nomination Committee shall be the Chairman of the Board or an INED.
- 2.3 The Board may from time to time appoint additional members to the Nomination Committee from among the non-executive Directors and INEDs. The Nomination Committee comprises a majority of INEDs.
- 2.4 The Nomination Committee may invite any Director, executive or other person to attend any meeting(s) of the Nomination Committee as it may from time to time consider desirable to assist the Nomination Committee in the attainment of its objective.

**3. Secretary**

- 3.1 The Company Secretary shall be the secretary of the Nomination Committee.
- 3.2 The Company Secretary, or in his / her absence, the Nomination Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Nomination Committee and must ensure that full minutes are kept of all meetings.

#### **4. Meetings and Quorum**

- 4.1 The Nomination Committee shall meet with such frequency and at such times as it may determine. The Nomination Committee shall meet at least once a year.
- 4.2 The meetings and proceedings of the Nomination Committee are governed by the provisions contained in the Company's Articles of Association for regulating the meetings and proceedings of Directors. However, notice of any meetings has to be given at least 14 days prior to any such meeting being held, unless all members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a member shall be deemed waiver of the requisite length of notice by the member. Notice of any adjourned meeting is not required if adjournment is for less than 14 days.
- 4.3 The quorum of the Nomination Committee shall be any three members, one of whom must be an INED until the Board has otherwise determined.
- 4.4 Meetings could be held in person, by telephone, by video conference or through other electronic means of communication. Members may participate in a meeting by means of said conference or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.
- 4.5 Resolutions of the Nomination Committee shall be passed by a majority of votes. Only members of the Nomination Committee are entitled to vote at the meetings.
- 4.6 A resolution in writing signed by all the members of the Nomination Committee shall be as valid and effectual as if it had been passed at a meeting of the Nomination Committee duly convened and held.
- 4.7 Minutes shall be kept by the secretary of the Nomination Committee. Draft and final versions of minutes shall be circulated to all members for their comments and records respectively, in both cases within a reasonable period of time after the meeting. Such minutes shall be presented to the Board for records.

#### **5. Annual General Meeting**

The Chairman of the Nomination Committee or in his / her absence, another member (who must be an INED) of the Nomination Committee, shall attend the Company's annual general meeting and be prepared to respond to shareholders' questions on the Nomination Committee's activities and responsibilities.

#### **6. Authority**

The Nomination Committee is authorized by the Board to:

- 6.1 make full use of intermediary agencies and other route for identifying qualified director candidates at the Company's expense;
- 6.2 conduct interviews with prospective candidates for nomination and consult the Chairman and / or Managing Director / Chief Executive in this respect; and
- 6.3 Shougang Century should provide the Nomination Committee sufficient resources to perform its duties. Where necessary, the Nomination Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

Note: Arrangement to seek professional advice can be made through Company Secretary.

## **7. Responsibility**

- 7.1 To review and monitor the structure, size and diversity (including but not limited to gender, language, age, religion, social-economic status, cultural and educational background, ethnicity, professional experience, regional and industry experience, skills, knowledge, thinking styles, know-how and length of service) of the Board at least annually in accordance with the Board Diversity Policy, assist the Board in maintaining a board skills matrix, and make recommendations on any proposed changes to the Board to complement Shougang Century's corporate strategy.
- 7.2 To identify and / or nominate and then select or make recommendation to the Board on the selection of qualified individuals for appointment as additional Directors or to fill Board vacancies in accordance with the Policy for Nomination of a Director of the Company by considering the skills, experience and diversity of perspectives that the individual is expected to bring to the Board and what are the potential contributions as and when they arise with due regard for the benefits of diversity on the Board. Such appointment is subject to the approval of the Board.
- 7.3 To make recommendations (taking into account the Company's corporate strategy and diversity need in the future) to the Board on the appointment or re-appointment of Directors and succession planning for Directors in accordance with the Policy for Nomination of a Director of the Company, in particular the chairman and the chief executive.
- 7.4 To disclose the Policy for Nomination of a Director of the Company, performed by the Nomination Committee during the year. This includes the nomination procedures and the process and criteria adopted by the Nomination Committee to select and recommend candidates for directorships during the year, setting out the procedures for the appointment and reappointment of Directors and board succession planning consideration.
- 7.5 To assess and review the independence of INEDs annually.

- 7.6 To review the Board Diversity Policy concerning diversity at all levels of Board members, including any measurable objectives and progress on achieving those objectives, and make disclosure of the policy or a summary of the policy in the corporate governance report annually.
- 7.7 For corporate governance issues, the Nomination Committee should (i) review and monitor the training and continuous professional development of Directors and senior management (if any); and (ii) develop, review and monitor the code of conduct and compliance manual (if any) applicable to the Company's employees and Directors.
- 7.8 The Nomination Committee shall make a statement or report to the Board after each meeting about its activities, the diversity of Board members and the process used for appointments, reappointment of Directors under the Policy for Nomination of a Director of the Company and board succession planning consideration and explain if external advice has been used and disclose and publish in the annual report or other report as required subject to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") amended from time to time.
- 7.9 To exercise such other powers, authorities and discretion, and perform such other duties, of the Directors in relation to the nomination as the Board may from time to time delegate to it, having regard to the Corporate Governance Code of the Listing Rules.
- 7.10 To support the regular evaluation of the Board's performance.

## **8. Terms of Reference**

- 8.1 The terms of reference will be reviewed on annual basis and as required.
- 8.2 The terms of reference explaining Nomination Committee's role and the authority delegated to it by the Board is posted on the websites of the Company and The Stock Exchange of Hong Kong Limited. A copy of the terms of reference is made available to any person without charge upon request.

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