



CAPITAL ENVIRONMENT HOLDINGS LIMITED

首創環境控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03989)

(“Company”)

TERMS OF REFERENCE OF NOMINATION COMMITTEE

1. Constitution

The Nomination Committee of the Company (the “**Nomination Committee**”) was established by the Company’s board of directors (the “**Board**”) with terms of reference on 15 June 2006. The Nomination Committee is a committee under the Board.

2. Membership

- (a) The members of the Nomination Committee shall be appointed by the Board from time to time and chaired by the chairman of the Board or an independent nonexecutive director of the Company.
- (b) The Nomination Committee shall consist of not less than three members, and the majority of which should be the independent non-executive directors of the Company.
- (c) The company secretary of the Company or a nominee shall act as the secretary of the Nomination Committee.
- (d) The Company should appoint at least one director of a different gender to the Nomination Committee.

3. Frequency and proceeding of meetings

- (a) Meeting of the Nomination Committee shall be held not less than once a year.
- (b) A quorum of a meeting of the Nomination Committee shall be two members.
- (c) Questions raised at any meeting of the Nomination Committee shall be decided by a majority of the members present. In the event of an equality of votes, the chairman of the meeting shall have the right to cast a second or casting vote.

4. Authority

- (a) The Nomination Committee shall be provided with sufficient resources to perform its duties.
- (b) Where necessary, the Nomination Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.
- (c) The Nomination Committee is authorized to perform any activity within its terms of reference.

5. Duties, powers and functions

The Nomination Committee should discharge the following duties:–

- (a) review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assist the Board in maintaining a board skills matrix, and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (c) assess the independence of independent non-executive directors of the Company;
- (d) make recommendations to the Board on the appointment or re-appointment of directors of the Company and succession planning for directors of the Company, in particular the chairman of the Board and the chief executive officer of the Company;
- (e) review board diversity policy of the Company and recommend to the Board on any revisions to it, as appropriate, to ensure its effectiveness; and
- (f) to support the Company's regular evaluation of the Board's performance.

6. Reporting procedures

At the meeting of the Board held following a Nomination Committee's meeting, the Nomination Committee's chairman shall report its findings and recommendations to the Board. The secretary of the Nomination Committee shall circulate the minutes of the meetings of the Nomination Committee to all members of the Board.

Adopted on 15 June 2006 and revised on 23 March 2012, 21 March 2019, 28 October 2022 and 26 June 2025