稀鎂科技集團控股有限公司

RARE EARTH MAGNESIUM TECHNOLOGY GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 00601)

Terms of Reference for Nomination Committee

(Amendments approved by the Board on 28 November 2013 and amended on 31 December 2018)

These terms of reference of the Nomination Committee (the "**Committee**") have been prepared based on the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**" and the "**Exchange**" respectively).

1. Membership

1.1 The Nomination Committee ("**Committee**") shall comprise of at least three members, each of whom shall be appointed by the Board.

1.2 The majority of the members of the Committee ("**Members**") shall be independent non-executive Directors.

1.3 The Committee shall be chaired by the Chairman of the Board or an independent non-executive Director and appointed by the Board.

2. Secretary

2.1 The Company Secretary shall act as the secretary of the Committee.

2.2 The Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Committee.

3. Quorum

The quorum necessary for the transaction of business shall be two.

4. Meetings

The Committee shall meet at least once a year.

5. Notice of Meetings

Notice of any meetings has to be given at least three 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 meetings is not required if adjournment is for less than three days.

6. Minutes of Meetings

6.1 Meetings could be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.

6.2 Resolutions of the Committee at any meetings shall be passed by a majority of votes of the Members present.

6.3 A resolution in writing signed by all the Members shall be valid and effectual as if it had passed at a meeting of the Committee duly convened and held.

7. Annual General Meeting

The Chairman of the Committee or in his/her absence, another Member of the Committee, shall attend the Company's Annual General Meeting and be prepared to respond to shareholders' questions on the Committee's activities and their responsibilities.

8. Duties

The Committee shall have the following responsibilities, powers and discretion:

8.1 review the structure, size and composition (including the 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;

8.2 identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

8.3 to develop and maintain a policy for the nomination of Board members which includes the nomination procedures and the process and criteria adopted by the Committee to identify, select and recommend candidates for directorship during the year, and to review periodically and disclose in the corporate governance report annually and the progress made towards achieving the objectives set in the policy. The Committee should ensure that the selection process is transparent and fair, and that it considers a board range of candidates who are outside the Board's circle of contacts and in accordance with the Company's diversity policy;

8.4 to develop and maintain a board diversity policy and to ensure its effectiveness and review the measurable objectives that the Board set for implementing the board diversity policy, and the progress on achieving the objectives; and disclose the board diversity policy or a summary of the policy in the corporate governance report annually;

8.5 assess the independence of independent non-executive Directors;

8.6 make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive; and

8.7 where the Board proposes a resolution to elect an individual as an INED at the general meeting, the Committee should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:

(i) the process used for identifying the candidate and why the Board believes the candidate should be elected and the reasons why it considers the candidate to be independent;

(ii) if the proposed INED will holding their seventh (or more) listed company directorship, the reason the board believes the candidate would still be able to devote sufficient time to the Board;

(iii) the perspectives, skills and experience that the candidate can bring to the Board;

(iv) how the candidate can contribute to the diversity of the Board; and

8.8 monitor the implementation of the Board Diversity Policy of the Company; review (as appropriate) and make recommendations on any necessary revisions of such policy for the Board's consideration and approval.

9. Authorities

9.1 The Committee is authorized by the Board where necessary to have seek independent professional advice, at the Company's expense, to perform its responsibilities.

9.2 The Committee shall be provided with sufficient resources to discharge its duties.

10. Reporting procedures

At least annually, the Committee should report to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).