



**CGN NEW ENERGY HOLDINGS CO., LTD.**

**中國廣核新能源控股有限公司**

*(incorporated in Bermuda with limited liability)*

**(Stock code: 1811)**

**(the “Company”)**

## **Terms of Reference and Procedures of the Investment and Risk Management Committee**

### **1. MEMBERSHIP**

- (a) The Investment and Risk Management Committee (the “**Committee**”) shall be appointed by the Board of directors (the “**Board**”) from amongst the directors of the Company and shall consist of not less than three members, a majority of which should be non-executive directors. The constitution of the Committee shall comply with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as amended from time to time, if applicable.
- (b) The Chairman of the Committee shall be a non-executive director appointed by the Board.
- (c) Members of the Committee shall be appointed and removed by the Board. The term of the members of the Committee is the same as that of directors and the members may be re-elected upon the expiry of the current term. During the term, if any member of the Committee ceases to hold office as a director of the Company, he/she shall automatically lose the qualification as a member of the Committee. In this case, the Board shall appoint another member promptly to meet the quorum of the Committee according to the aforesaid provisions.
- (d) The secretary of the Committee shall be appointed by the Committee.

## **2. ATTENDANCE AT MEETINGS**

- (a) The quorum of a meeting of the Committee shall be two thirds of the members of the Committee. The chairman (or in his or her absence, a member designated by the chairman) shall preside over all meetings of the Committee. The chairman of the Committee shall not chair a Committee meeting which deals with the succession to the chairmanship. If for any reason a member of the Committee is unable to attend a meeting, he/she may entrust in writing another member of the Committee to exercise his/her power. Resolutions of the Committee shall be valid when passed by more than two-thirds of the members. The meetings and proceedings of the Committee shall be governed by the provisions of the bye-law 118 of the bye-laws of the Company.
- (b) At all times the chairman of the Board shall be notified in advance of all meetings of the Committee.
- (c) Members of the Committee may participate in a meeting of the Committee by means of a conference telephone or other communications equipment through which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

## **3. FREQUENCY OF MEETINGS**

- (a) Meetings of the Committee shall be held not less than once a year. Any members of the Committee may request a meeting if they consider necessary. Upon the receipt of such request, the secretary of the Committee shall convene a meeting as soon as reasonably practicable and having regard to the convenience of all members.
- (b) Unless otherwise agreed by all the members of the Committee, a meeting shall only be called with at least 7 days' prior notice.

#### **4. COMMITTEE’S RESOLUTIONS**

The Committee shall serve as an advisory body to the Board, and is mainly responsible for the study of the matters set out in clause 6 below, and shall make recommendations to the Board for their consideration.

A resolution in writing signed by all the members of the Committee shall be as valid and effective as if it had been passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more of the members of Committee. Such resolution may be signed and circulated by facsimile or other forms of electronic communications. This provision is without prejudice to any requirement under the Listing Rules for a meeting of the Board or Committee to be held.

#### **5. AUTHORITY**

- (a) The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee or executive director and such persons are directed to co-operate with any request made by the Committee.
- (b) The Committee is authorised by the Board, and at the reasonable expense of the Company, to obtain legal or other independent professional advice and to secure the attendance of other persons with relevant experience and expertise in the meetings of the Committee if it considers this necessary.
- (c) The Committee shall be provided with sufficient resources to perform its duties.

#### **6. DUTIES**

The principal duties of the Committee are as follows:

- (a) to review major investment and strategy and objectives of project financing;
- (b) to review any major investment, financing proposal and operating project matters that are subject to approval by the Board in accordance with the “Board of Directors Delegation of Authority Manual”;
- (c) to consider the development and objectives of the risk management system; and review the risk management system of the Company;

- (d) to supervise the soundness, reasonableness and effectiveness of the risk management system, and discuss with management about and instruct the comprehensive risk management of the Company;
- (e) to study the risks of significant matters in major investment and financing activities and operation management and make necessary recommendations to the Board;
- (f) to study the significant investigation results and feedbacks from the management concerning the risk management of the Company, any major issues, major risks or any abnormal situations involving the Company should be reported to the Board;
- (g) to conduct regular post-investment evaluations against investment projects and provide opinions to the Board;
- (h) to monitor the soundness, rationality and effectiveness of the management system for environmental, social and governance (“**ESG**”) related matters (including climate-related matters). Review ESG strategic objectives and policies, ESG-related risks and opportunities, ESG work plans and ESG reports, review ESG-related policies and performance and provide advice to the Board, and properly manage the Company’s ESG-related (including climate-related) risks;
- (i) to monitor the implementation of the scope of authority of the Environmental, Social and Governance Working Group (the “**ESG Working Group**”), regularly hear the work reports of the ESG Working Group, report work progress to the Board and make suggestions for improvement; and
- (j) to handle other matters in relation to investment or risk management as delegated by the Board.

## **7. REPORTING PROCEDURES**

- (a) The Committee shall report to the Board. At the next meeting of the Board following a meeting of the Committee, the Chairman of the Committee shall report their decisions and recommendations of the Committee to the Board.
- (b) Full minutes of meetings of the Committee shall be kept by a duly appointed secretary of the meeting. Draft and final versions of minutes of the meetings shall be sent to all members of the Committee for their comment and records, within a reasonable time after the meeting.
- (c) Copies of the minutes of meetings of the Committee shall be provided to the Board at its meetings.

## **8. REVISION OF THESE TERMS OF REFERENCE**

These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements (e.g. the Listing Rules). Any amendment to these terms of reference shall be by way of resolution of the Board of the Company and shall be in full compliance with the Listing Rules and any other regulatory requirements.