

THE HONG KONG AND CHINA GAS COMPANY LIMITED
(“Company”)

APPENDIX 16: NOMINATION POLICY

1. Objective

- 1.1 The Nomination Committee of the Company (“Nomination Committee”) shall identify and nominate suitable candidate(s) to the board of directors of the Company (“Board”) for it to consider and make recommendations to shareholders of the Company (“Shareholders”) for election as director(s) of the Company (“Director(s)”) at general meetings or appoint as Director(s) to fill casual vacancies.
- 1.2 This Policy aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirement of the Company’s businesses.

2. Selection Criteria

- 2.1 The Nomination Committee shall consider the following criteria in evaluating and selecting candidates for directorships:
 - Reputation for integrity
 - Business experience relevant and beneficial to the Company
 - Willingness to devote adequate time to discharge duties as a member of the Board
 - Board Diversity Policy adopted by the Nomination Committee (“Board Diversity Policy”) for achieving diversity on the Board

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

- 2.2 The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

3. Nomination Procedures

3.1 Appointment of Directors

- 3.1.1 The Nomination Committee identifies individual(s) suitably qualified to become board members, having due regard to this Policy and the Board Diversity Policy, and assesses the independence of the proposed independent non-executive Director(s) as appropriate.
- 3.1.2 The Nomination Committee makes recommendation(s) to the Board.
- 3.1.3 The Board considers the individual(s) recommended by the Nomination Committee, having due regard to this Policy and the Board Diversity Policy.

- 3.1.4 The Board confirms the appointment of the individual(s) as Director(s) or recommends the individual(s) to stand for election at a general meeting. Individual(s) appointed by the Board will be subject to election by the Shareholders at the next following annual general meeting or the next following general meeting in the case of filling a casual vacancy in accordance with the Company's Articles of Association ("Articles of Association").
- 3.1.5 Shareholders approve the election of individual(s), who stand(s) for election at general meeting, as Director(s).
- 3.2 Re-appointment of Directors
 - 3.2.1 The Nomination Committee considers each retiring Director, having due regard to this Policy and the Board Diversity Policy, and assesses the independence of each retiring independent non-executive Director.
 - 3.2.2 The Nomination Committee makes recommendation(s) to the Board.
 - 3.2.3 The Board considers each retiring Director recommended by the Nomination Committee, having due regard to this Policy and the Board Diversity Policy.
 - 3.2.4 The Board recommends the retiring Directors to stand for re-appointment at the annual general meeting in accordance with the Articles of Association.
 - 3.2.5 Shareholders approve the re-appointment of Directors at the annual general meeting.
- 3.3 The Board shall have the ultimate responsibility for all matters relating to selection and appointment of Directors.

4. Monitoring and Review of this Policy

- 4.1 The Nomination Committee will monitor the implementation of this Policy.
- 4.2 The Nomination Committee will from time to time review this Policy, as appropriate, to ensure that it remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice.

5. Disclosure of this Policy

- 5.1 This Policy will be disclosed in the annual Corporate Governance Report.