



**AAG**

## **AAG Energy Holdings Limited**

**亞美能源控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2686)**

### **Terms of Reference for New Business Committee**

#### **Purpose**

1. The purpose of the new business committee (the “**New Business Committee**”) is to assist the board of directors (the “**Board**”) of AAG Energy Holdings Limited (the “**Company**”) in assessing and reviewing the opportunities and risks with regards to the Company’s significant investment projects so as to provide accurate basis for decision-making by the Company and to maximize the return on the Company’s cash reserves and shareholder equity.

#### **Composition**

2. The New Business Committee shall be appointed by the Board and comprise a minimum of three members (the “**Members**”). It is recommended that a majority of the Members be independent non-executive directors of the Company who shall meet and maintain the independence requirements from time to time as stipulated in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) (as amended from time to time).
3. The chairman of the New Business Committee (the “**Chairman**”) shall be appointed by the Board and be either an independent non-executive director of the Company or the chairman of the Board.
4. The company secretary of the Company (the “**Company Secretary**”) shall be the secretary of the New Business Committee.

#### **Meetings**

5. The New Business Committee shall meet at least twice a year or more frequently if circumstances require.
6. 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. If a meeting is called by a shorter notice, it shall be deemed to have been duly called if it is so agreed by a majority of the Members. A Member who attends such a meeting shall deem to agree to the shorter notice. Notice of any adjourned meetings is not required if the adjournment is less than 14 days.

7. A quorum of the New Business Committee shall be two Members.
8. Meetings could be held in person, by telephone or by video conference. Members may participate in a meeting by means of a telephone conference or similar communications equipment provided that all persons participating in the meeting are capable of hearing each other.
9. Only Members are entitled to vote at the meetings of the New Business Committee.
10. Resolutions of the New Business Committee at any meetings shall be passed by a majority of votes of the Members present. In case of an equality of votes, the Chairman shall have a second or casting vote.
11. A resolution in writing signed by all Members shall be valid and effectual as if it has been passed at a meeting of the New Business Committee duly convened and held.
12. The Chairman (or in his or her absence, a Member designated by the Chairman) shall preside at all meetings of the New Business Committee. The Chairman shall be responsible for leading the New Business Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.

#### **Access**

13. The New Business Committee shall have full access to management and relevant company information and records and may invite members of management or others to attend its meetings.

#### **Reporting Procedures**

14. The New Business Committee shall evaluate and assess the effectiveness of the New Business Committee and the adequacy of these Terms of Reference on an annual basis and recommend any proposed changes to the Board.
15. Full minutes of meetings of the New Business Committee (draft and final versions) and the record of individual attendance at such meetings shall be prepared and kept by the Company Secretary. Draft and final versions of the minutes of the meetings should be sent to all Members for their comment and records within a reasonable time after the meeting.

#### **Authority**

16. The New Business Committee is authorized by the Board to review and evaluate investment strategy and major investment projects of the Company, review and approve the issue of non-binding indicative offers or letter of intent, and make recommendations to the Board on any final proposals for a significant investment project.
17. The New Business Committee is authorized by the Board to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise at meetings of the New Business Committee if it considers this necessary.

18. The New Business Committee is authorized by the Board to exercise such other powers as the New Business Committee may consider necessary and expedient for the proper performance of their duties hereunder.

### **Duties**

19. The duties of the New Business Committee shall include the following aspects:
  - (a) To review, evaluate and provide feedback on the investment strategies, annual investment plan(s) (as proposed by senior management and Chairman of the Board) and the relevant risk management policy of the Company and make recommendations to the Board;
  - (b) to review, evaluate and provide feedback on the investment opportunities of the Company and issue opinion for long-term development plan (including mergers & acquisition, joint venture and equity investments) as proposed by senior management and Chairman of the Board and make recommendations to the Board;
  - (c) to review, evaluate and provide feedback on significant investment projects pursued under the Company's investment strategy and annual investment plan, review and approve the issue of non-binding indicative offers or letter of intent, and make recommendations to the Board on any final proposals for a significant investment project;
  - (d) to review and assess, in addition to new opportunities, the ongoing investment strategy, technical merits and risks associated with existing development and exploration programs, including the annual reserve and resource assessments prepared by the Company and make recommendations to the Board;
  - (e) to supervise the implementation of the above-mentioned matters duly approved by the Board and assess periodically the Company's capacity to conduct technical work and the Company's approach in managing technical risk associated with above matters;
  - (f) to advise management from time to time on the engagement of appropriate external financial and technical advisors in connection with material acquisitions or divestitures, including a review of the terms of their proposed compensation; and
  - (g) other matters as delegated by the Board.
20. The New Business Committee shall be accountable to the Board. Proposals of the New Business Committee shall be submitted to the Board for consideration and approval. All cases, materials and information considered and discussed by the New Business Committee shall be made available to the Board for its study and decision in the form of report, recommendation or summary.
21. The New Business Committee shall have the power to decide its working procedures and to form investment working team(s) to study investment projects proposed or referred to the Company. The New Business Committee shall have the power to delegate its duties to the investment working team(s) as it deems fit.

## **Publication of these Terms of Reference**

22. These Terms of Reference will be posted on the respective website of the Company and The Stock Exchange of Hong Kong Limited.