

Impression Dahongpao Co., Ltd.

印象大紅袍股份有限公司

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

Chapter 1 General Provisions

Article 1 To regulate the appointment of directors and senior management of Impression Dahongpao Co., Ltd. (hereinafter referred to as the “Company”), optimize the composition of the Board of Directors, and improve the Company’s governance structure, the Terms of Reference for the Nomination Committee of the Board of Directors of Impression Dahongpao Co., Ltd. (hereinafter referred to as the “Terms of Reference”) are formulated in accordance with the relevant provisions of the “Company Law of the People’s Republic of China”, the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (hereinafter referred to as the “Listing Rules”), Appendix C1 to the Listing Rules (hereinafter referred to as the “Corporate Governance Code”), the regulatory rules of the securities regulatory authorities and stock exchanges where the Company’s shares are listed, including The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Stock Exchange”), as well as the “Articles of Association of Impression Dahongpao Co., Ltd.” (hereinafter referred to as the “Articles of Association”), combined with the actual circumstances of the Company.

Article 2 The Nomination Committee is a specialized working body set up by the Board of Directors with the primary responsibilities for determining the selection criteria and procedures for the directors and senior management of the Company, in addition to selecting, assessing and making recommendations on the candidates and qualifications for the directors and senior management of the Company.

Article 3 The directors mentioned in the Terms of Reference refer to all directors elected at the shareholders’ general meeting, including Independent Non-executive Directors; senior management mean the general manager, deputy general managers, Secretary of the Board of Directors, chief financial officer (finance director) appointed by the Board of Directors, as well as other senior management as stipulated in the laws and regulations, relevant regulatory rules of the securities where the shares of the Company are listed, as well as the Articles of Association.

Chapter 2 Composition

Article 4 The Nomination Committee shall comprise three directors, two of whom shall be Independent Non-executive Directors.

Article 5 Members of the Nomination Committee (hereinafter referred to as “Members”) shall be nominated by the Chairman of the Board of Directors or at least one third of members of the Board of Directors or over one half of the Independent Non-executive Directors and shall be elected by more than half of the Board of Directors. Upon approval of the proposal for such election, the newly appointed member shall commence his term of office immediately after the conclusion of the meeting of the Board of Directors.

Article 6 The Nomination Committee shall have one convener (i.e., the Chairman of the Committee), who shall be an Independent Non-executive Director and be responsible for overseeing the operation of the committee. The Chairman of the Nomination Committee shall be elected or dismissed within the Nomination Committee and subject to approval by the Board of Directors.

Article 7 The term of office of the members of the Nomination Committee shall be consistent with that of the Board of Directors. Each member shall be eligible for re-election upon completion of his/her term of office. For any committee member who ceases to serve as a director of the company during his/her term as a committee member, or any committee member who must possess the status of an Independent Non-executive Director no longer meets the independence requirements stipulated in the Company Law, the Articles of Association, the Administrative Measures for Independent Directors of Listed Companies and the Listing Rules during his/her term of office, he/she shall automatically disqualify as a committee member.

Chapter 3 Duties and Authorities

Article 8 The Nomination Committee is responsible for formulating the selection criteria and procedure for directors and members of the senior management, screening and reviewing candidates for the directors and the senior management and their qualification, and making recommendations to the Board of Directors on the following matters:

- (1) to study the selection criteria and procedure for directors and members of the senior management, and make recommendations to the Board of Directors;
- (2) to nominate, appoint or dismiss directors and make corresponding recommendations to the Board of Directors, and review the candidates for directors and make corresponding recommendations;

- (3) to appoint or dismiss members of the senior management, review the candidates for members of the senior management and make corresponding recommendations;
- (4) to review the independence of the Independent Non-executive Directors;
- (5) to review the structure, size and composition (including the skills, knowledge and experience) of the Board of Directors at least annually and make recommendations on any proposed changes to the Board of Directors for supporting the Company's corporate strategies;
- (6) to make recommendations to the Board of Directors regarding the composition of specialized committees under the Board of Directors and candidates for the relevant members in accordance with the operations, size of assets and structure of shareholdings of the Company;
- (7) to conduct an extensive search of qualified candidates for the directors and members of the senior management, and to make recommendations to the Board of Directors regarding the selection and nomination of such individuals to serve as directors and members of the senior management;
- (8) to evaluate the working performance of directors and make advice or recommendations to the Board of Directors regarding the replacement, re-appointment or succession of directors (including the Chairman of the Board of Directors and chief executive officer, if any) based on the evaluation results;
- (9) to formulate and (as appropriate) review and implement the Board Diversity Policy as adopted by the Board of Directors from time to time, and make disclosure of the relevant policy or its summary in the corporate governance report;
- (10) other matters authorized by the Board of Directors;
- (11) other matters required by the laws, administrative regulations, the Listing Rules, the provisions of the CSRC, the relevant regulatory rules of the securities regulatory authorities and stock exchange at the place where the Company's shares are listed and the Articles of Association.

If the Board of Directors does not adopt or does not fully adopt the recommendations of the Nomination Committee, it shall record the opinion of the Nomination Committee and the specific reasons for its non-adoption in the resolutions of the Board of Directors and make relevant disclosure.

Article 9 The Nomination Committee is accountable to the Board of Directors. Proposals falling within the Articles of reference of the Nomination Committee shall first be reviewed and approved by the Nomination Committee before being submitted to the Board of Directors for consideration.

Article 10 Where the Board of Directors intends to propose a resolution to elect an individual as an Independent Non-executive Director at the shareholders' meeting, the following shall be set out in the circular to shareholders and/or explanatory statement attached to the notice of the relevant shareholders' meeting:

- (1) the process used for identifying the individual and the reasons why the Board of Directors believes the individual should be elected and the reasons why it believes the individual to be independent;
- (2) if the proposed Independent Non-executive Director will be holding his/her seventh (or more) listed company directorship, the reasons why the Board of Directors believes the individual would still be able to devote sufficient time to the Board of Directors;
- (3) the views, perspectives, skills and experience that the individual can bring to the Board of Directors; and
- (4) how the individual contributes to the diversity of the Board of Directors.

Article 11 The rights and obligations of the members of the Nomination Committee include:

- (1) to attend the meetings of the Committee as scheduled, express opinions on matters discussed at the meetings, and exercise voting rights;
- (2) to propose topics for discussion at the meetings of the Committee;
- (3) to attend or sit in the relevant meetings of the Company as audiences and conduct investigative studies and obtain the required relevant information, such as reports, documents and materials, for the purpose of performing their duties;
- (4) to fully understand the duties and responsibilities of the Committee and their own duties as members, and familiarize themselves with the operation and management conditions, business activities and development status of the Company relating to their duties, to ensure their capabilities in performing their duties;

- (5) to commit to dedicate sufficient working time and efforts required to perform his/her duties;
- (6) to perform other duties as required or conferred by the laws, administrative regulations, the Listing Rules, the provisions of the CSRC, the relevant regulatory rules of the securities regulatory authorities and stock exchange at the place where the Company's shares are listed, the Terms of Reference and the Board of Directors.

Chapter 4 Decision-making Procedures

Article 12 The procedures of selecting directors and members of the senior management are:

- (1) the Nomination Committee shall actively communicate with relevant departments of the Company and study the demand for new directors and members of the senior management and present such information in writing;
- (2) the Nomination Committee may conduct an extensive search of candidates for directors and members of the senior management inside the Company, its holding (invested) companies, branches and the human resources market;
- (3) the Nomination Committee shall gather information as to the occupation, academic qualifications, professional title, detailed work experience and all the concurrent posts of the preliminary candidates and present such information in writing;
- (4) the Nomination Committee shall solicit the nominee's consent to the nomination, without which the nominee cannot be selected as a candidate of director or senior management;
- (5) the Nomination Committee shall convene a Nomination Committee meeting to review the qualifications of the preliminary candidates in accordance with the requirements for directors and members of the senior management;
- (6) the Nomination Committee shall make recommendations to the Board of Directors regarding the candidates for the director and new members of the senior management and submit relevant information to the Board of Directors one to two months prior to the election of new directors and appointment of new members of the senior management;
- (7) the Nomination Committee shall carry out other follow-up work according to the decision of and feedback from the Board of Directors.

Chapter 5 Rules of Procedure

Article 13 The Nomination Committee shall convene meetings on an ad hoc basis as needed. A committee meeting shall be convened under any of the following circumstances:

- (1) when the Board of Directors deems it necessary;
- (2) when the chairman of the Nomination Committee deems it necessary;
- (3) when more than 2 members propose.

Article 14 Meeting notices and materials shall be provided to all members in writing three days prior to the meeting. The notices shall include the meeting format, time, location, duration, agenda, date of notice and relevant information. The notices may be delivered by hand, mail, email or fax. In urgent situations requiring immediate convening, meeting notices may be issued at any time via telephone or other verbal means. However, the chairman of the Committee shall provide an explanation at the meeting.

Article 15 Upon receiving a meeting notice, the members shall promptly confirm receipt and provide feedback (including but not limited to attendance status and travel arrangements) in an appropriate manner.

Article 16 The members shall attend meetings in person. Should a member be unable to attend in person for any reason, he/she may authorize another member of the Committee in writing to attend on his/her behalf. Members who fail to attend the meetings of the Nomination Committee and do not authorize a proxy to attend shall be deemed to have waived their voting rights at that meeting.

Article 17 The Nomination Committee meeting shall be presided by the chairman of the Nomination Committee. If the chairman of the Nomination Committee is unable to preside, he/she may delegate another Independent Non-executive Director member to preside over the meeting, or a member may be elected by a majority of the members present to preside.

Article 18 The quorum of the meetings of the Nomination Committee shall be more than two-thirds of its members, each having one vote. Resolutions of the meetings shall be approved by the majority of all members.

Article 19 The Nomination Committee shall conduct voting by roll call. Provided that all members have the opportunity to fully express their opinions, resolutions may also be adopted through correspondence voting, with participating members signing accordingly.

Article 20 The Nomination Committee meetings may be convened through appropriate means such as physical meetings, conference calls, video conferences, document circulation, fax or emails.

Article 21 The Nomination Committee may invite directors, supervisors, other senior management of the Company and external consultants to present at its meetings as necessary. Attendees may provide explanations or clarifications regarding issues under discussion in the meeting, but non-committee members shall not have voting rights.

Article 22 The Nomination Committee may, if necessary, engage an intermediary to provide professional advice on its decision-making at the cost of the Company.

Article 23 If any member of the Nomination Committee has a direct or indirect interest in the issues discussed at the meetings, the interested member shall abstain from voting.

Article 24 The convening procedures, voting methods and resolutions adopted at meetings of the Nomination Committee must comply with relevant laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association and the Terms of Reference.

Article 25 Minutes shall be taken at all meetings of the Nomination Committee and signed by each attending member and the minute-taker. All meeting minutes shall be kept by the Secretary of the Board of Directors for no less than ten years.

Article 26 Resolutions adopted in and voting results of the Nomination Committee meetings shall be reported to the Board of Directors of Company in writing.

Article 27 Members and personnel present at such meetings are obliged to keep all issues discussed at such meetings confidential and shall not disclose any relevant information without authorization.

Chapter 6 Supplementary Provisions

Article 28 Matters not covered in the Terms of Reference shall be handled in accordance with the provisions of laws, administrative regulations, departmental rules, normative documents, the Listing Rules, the relevant regulatory rules of the securities regulatory authorities and stock exchanges of the jurisdictions where the Company's shares are listed as well as the Articles of Association, combined with the actual circumstances of the Company. In the event of any conflict between the Terms of Reference and the provisions of the laws, administrative regulations, departmental rules, normative documents, the Listing Rules, the relevant regulatory rules of the securities regulatory authorities and stock exchanges of the jurisdictions where the Company's shares are listed as well as the Articles of Association issued from time to time, the provisions of the aforesaid laws, administrative regulations, departmental rules, normative documents, the Listing Rules, the relevant regulatory rules of the securities regulatory authorities and stock exchanges of the jurisdictions where the Company's shares are listed as well as the Articles of Association shall prevail.

Article 29 For the purpose of the Terms of Reference, the terms "above", "within" and "not more than" shall include the figure itself; the terms "less than", "beyond", "below", "more than" and "exceeding" shall exclude the figure itself.

Article 30 The Terms of Reference shall be interpreted by the Board of Directors.

Article 31 The Terms of Reference shall be considered and approved by the Board of Directors of the Company and shall take effect on the date on which the H shares issued by the Company are filed with the CSRC and listed and traded on The Stock Exchange of Hong Kong Limited.

Impression Dahongpao Co., Ltd.
Board of Directors