

# **YUNJI TECHNOLOGY CO., LTD.**

## **TERMS OF REFERENCE OF THE NOMINATION COMMITTEE OF THE BOARD OF DIRECTORS**

### **Chapter 1 General Provisions**

- Article 1 In order to regulate the selection of directors and senior management of Yunji Technology Co., Ltd. (the “Company”), optimize the composition of the board of directors and senior management, and improve corporate governance structure of the Company, the Nomination Committee of the board of directors of the Company (the “Committee”) is established with these terms of reference (these “Terms of Reference”) in accordance with the Company Law of the People’s Republic of China (2023 Revision), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Corporate Governance Code in Appendix C1 of the Hong Kong Listing Rules, the Articles of Association of Yunji Technology Co., Ltd. (the “Articles of Association”) and other relevant laws, regulations and normative documents.
- Article 2 The Committee is a specialized working body under the board of directors, mainly responsible for assessing candidates, formulating the selection standards and procedures for the Company’s directors and senior management members; and putting forward suggestions for election.
- Article 3 In these Terms of Reference, directors refer to all directors of the Company; and senior management refer to the general manager, deputy general managers, the chief financial officer, the secretary to the board of directors, and other senior management as specified in the Articles of Association.
- Article 4 The Committee shall be accountable to and report to the board of directors.
- Article 5 These Terms of Reference shall apply to the Committee and the relevant personnel and departments referred to herein.

### **Chapter 2 Composition of the Committee**

- Article 6 The Committee shall consist of no less than three directors, with at least one of whom shall be of a different gender and a majority of whom shall be independent non-executive directors.
- Article 7 Members of the Committee shall be nominated by the chairman of the board of directors, more than half of the independent directors or more than one-third of all directors and appointed by the board of directors upon approval by more than half of the directors.
- Article 8 The Committee shall have a chairman who shall be served by the chairman of the board of directors or an independent non-executive director. The chairman shall be nominated by the chairman of the board of directors and appointed upon approval of the board of directors.

- Article 9 The term of office of the Committee shall be the same as that of the board of directors, and the term of office of a Committee member shall be the same as their term as a director. Committee members may be re-elected upon expiry of their respective terms. Should a member cease to be a director of the Company, or should a member who shall be an independent non-executive director no longer meet the independence requirements set forth in the Hong Kong Listing Rules during their term of office, their membership on the Committee shall terminate automatically, and the vacancy shall be filled by a person appointed by the board of directors in accordance with these Terms of Reference.
- Article 10 A member of the Committee may submit a written resignation to the board of directors during their term of office, stating the reasons for resignation and any matters that need to be brought to the attention of the board of directors. If such resignation results in the number of members falling below the minimum required under these Terms of Reference, the resigning member shall continue to discharge their duties until a successor is appointed and assumes office.
- Article 11 The Committee members may be changed during their terms of office if proposed by the chairman of the board of directors and approved by the board of directors.
- Article 12 Where the composition of the Committee fails to meet the requirements set forth in these Terms of Reference, the board of directors shall promptly disclose the relevant details and reasons by way of announcement in accordance with the Hong Kong Listing Rules, and fill the vacancy in compliance with these Terms of Reference within three months from the date on which the relevant requirements fail to be met. The term of office of the newly appointed member shall expire concurrently with that of their directorship.
- Article 13 Subject to the coordination of the office of the board of directors, the Company's human resource department shall serve as the executive body of the Committee, providing support and services and carrying out duties assigned by the Committee.

### **Chapter 3 Responsibilities of the Committee**

- Article 14 The major responsibilities of the Committee shall include, but not limited to:
- (1) to regularly review the structure, size, composition and relevant qualifications (including the skills, knowledge, expertise and experience) of the board of directors at least annually, assist the board of directors in maintaining a board skills matrix, and make recommendations on any proposed changes to the board of directors to complement the Company's corporate strategy;
  - (2) to identify and determine individuals suitably qualified to become board members (including whether the individuals can bring to the board of directors the views, perspectives, skills and experiences and how the individuals can contribute to the board diversity) and make recommendations to the board of directors on the selection of individuals nominated for directorships;
  - (3) to assess the independence of the independent non-executive directors of the Company;

- (4) to assess the number of directorships of other listed companies held by candidates to be nominated as the independent non-executive directors of the Company. If the candidate will be holding his or her seven or more directorship of issuers listed on the Main Board or GEM of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), the board of directors has to be satisfied that the candidate would still be able to devote sufficient time to the board of directors;
- (5) to develop and maintain a policy for the nomination of the directors which includes the nomination procedures and the process and criteria adopted by the Nomination Committee to identify, select and recommend candidates for directorship during the year, and to review periodically and disclose the policy and progress made towards achieving the objectives set in the nomination policy in the corporate governance report of the Company;
- (6) to develop and maintain a policy concerning the board diversity, and to review periodically and disclose in the diversity policy or a summary of the policy in the corporate governance report of the Company;
- (7) to review annually the time required from non-executive directors and independent non-executive directors. Performance evaluations should be used to assess whether the non-executive directors and independent non-executive directors are spending enough time in fulfilling their duties;
- (8) to make recommendations to the board of directors on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman of the board of directors and the chief executive officer. The Nomination Committee shall make recommendations on appointment of directors with due regard to the diversity policy of the Company and in accordance with the challenges and opportunities faced by the Company;
- (9) to support the Company’s regular evaluation of the performance of the board of directors; and
- (10) to set out the following details in the explanatory letter attached to the circular to shareholders and/or the relevant notice to the shareholders’ meeting when the board of directors proposing to put forward a resolution to elect an individual as an independent non-executive director at the general meeting: (i) the process used for identifying the individual and why the board of directors believes the individual should be elected and the reasons why it considers the individual to be independent; (ii) if the proposed independent non-executive director will hold his/her seven (or more) directorship of an issuer listed on the Main Board or GEM of the Hong Kong Stock Exchange, the reasons why the individual would still be considered to be able to devote sufficient time to the board of directors; (iii) the views, perspectives, skills and experience that the individual can bring to the board of directors; and (iv) how the individual contributes to the board diversity.

Article 15 Responsibilities of the chairman of the Committee include:

- (1) to convene and preside over meetings of the Committee;
- (2) to supervise and examine the performance of the Committee and the implementation of resolutions of the Committee;
- (3) to sign the relevant documents of the Committee;
- (4) to report the work of the Committee to the board of directors of the Company;
- (5) to attend the Company's annual general meeting and answer the shareholders' questions about the Committee's duties. If the chairman of the Committee is unable to attend the annual general meeting, any other member or appropriately appointed representative shall attend the meeting on his or her behalf;
- (6) to perform other duties as required or delegated by the laws and regulations, the Hong Kong Listing Rules and other listing rules of the jurisdiction(s) where the Company's securities are listed, these rules of procedure and the board of directors.

Article 16 Primary responsibilities of a Committee member include:

- (1) to attend meetings of the Nomination Committee punctually, express opinions on the matters discussed thereon and exercise voting rights at the meetings;
- (2) to propose an agenda for discussion at the meetings of the Committee;
- (3) to attend or observe relevant meetings of the Company to conduct studies and research by obtaining reports, documents, materials and other relevant information necessary for the performance of his or her responsibilities;
- (4) to fully understand the responsibilities of the Committee and his or her own duties as a member thereof, and to become familiar with the Company's operations, management, business activities, and development related to such responsibilities, thereby ensuring his or her ability to perform such responsibilities;
- (5) to guarantee that he/she has devoted sufficient time and attention to fulfil his or her responsibilities;
- (6) to perform other duties as delegated by the laws and regulations, the Hong Kong Listing Rules and other listing rules of the jurisdiction(s) where the Company's securities are listed, these rules of procedure and the board of directors.

## **Chapter 4 Working Procedures of the Committee**

Article 17 The selection procedures of directors and senior management are:

- (1) the Committee shall actively communicate with the relevant departments of the Company to study the demand of the Company for new directors and senior management and to formulate written materials thereof;
- (2) the Committee may extensively search for candidates for directors and senior management within the Company and its controlling (investee) enterprises as well as in the labor market;
- (3) the Committee shall gather information about the occupation, education background, job title, detailed information in relation to the work experience and all the part-time positions of the preliminary proposed candidates, and formulate written materials thereon;
- (4) the nominee shall not be deemed as the candidate for director or senior management unless his or her consent for nomination is obtained;
- (5) the Committee shall convene a Committee meeting to conduct qualification review on the candidates in accordance with the requirements for directors and senior management;
- (6) the Committee shall submit to the board of directors its proposals and relevant information on the candidates for the new directors and senior management prior to the election of new directors and appointment of new senior management; and
- (7) the Committee shall carry out other follow-up work according to the decision and feedback from the board of directors.

## **Chapter 5 Meetings of the Committee**

Article 18 Meetings of the Committee can be classified as regular meetings and extraordinary meetings.

Article 19 The Committee shall hold at least one regular meeting every year, and the notice of the meeting shall be served to all members three days prior to such meeting.

Article 20 The Committee may convene extraordinary meetings when necessary. The chairman of the Committee shall issue a notice to convene a meeting within three days from the date of actual occurrence of any of the following circumstances:

- (1) where the board of directors deems it necessary;
- (2) where the chairman of the Committee deems it necessary;
- (3) where it is proposed by more than two members of the Committee.

- Article 21 The working body of the Committee shall issue the notice of the meeting in writing to each member of the Committee and to any relevant persons invited to attend the meeting three days prior to the date of the meeting (except in special circumstances where advance notice may be waived, provided that the chairman of the meeting shall provide an explanation at the meeting). The notice of the meeting shall include the meeting form, time, venue, duration, agenda, time of issuance of the notice, as well as the name and contact details of the contact person of the meeting, and other relevant information.
- Article 22 Upon receipt of the notice of the meeting, all Committee members shall promptly confirm and provide relevant replies (including but not limited to the attendance and logistical arrangements) through an appropriate channel.
- Article 23 The quorum of a Committee meeting shall be the presence of two-thirds or more of the Committee members.
- Article 24 All members of the Committee shall attend meetings in person. If a member is unable to attend a meeting in person for any reason, such member shall submit a written power of attorney authorizing another Committee member to attend the meeting and express an opinion on his or her behalf. The power of attorney shall clearly specify the scope and duration of the authorization. Each member may appoint only one other member to exercise voting rights on his or her behalf for any given meeting. Any authorization designating two or more members as proxies for the same meeting shall be null and void. Furthermore, no member shall concurrently accept proxies from two or more other members.
- The member attending a meeting on behalf of another member shall exercise the rights within the scope of authorization. If a member neither attends a meeting in person nor authorizes another Committee member to exercise the rights on his or her behalf, and fails to submit any opinion in writing prior to the meeting, such member shall be deemed to have waived his or her rights.
- A member who is unable to attend a meeting in person may also exercise his or her rights by submitting his or her opinion in writing with respect to any matter included in the meeting agenda, provided that such written opinion shall be submitted to the working body of the Committee no later than the convening of the meeting.
- Article 25 If a member neither attends a meeting in person nor authorizes another Committee member, and fails to submit any opinion in writing prior to the meeting on two consecutive occasions, or if such member fails to attend in person three-fourths of all meetings of the Committee held during any year, such member shall be deemed incapable of performing the duties of the Committee, and the board of directors may replace him/her in accordance with these Terms of Reference.
- Article 26 Meetings of the Committee shall be presided over by the chairman of the Committee, who may appoint another Committee member to act on his or her behalf when he/she is unable to attend the meeting. If the chairman of the Committee neither performs his or her duties nor designates another member to act on his or her behalf, any member may report the same to the board of directors of the Company, and the board of directors shall appoint another member who is an independent non-executive director to fulfil the duties of the chairman of the Committee.



## **Chapter 6 Rules of Procedure**

- Article 27 Each member of the Committee shall have one vote. A resolution of the meeting shall be passed by more than half of the votes of all members. In the event that the meeting fails to reach a valid resolution due to the abstention of any member, the relevant matter shall be considered directly by the board of directors.
- Article 28 Meetings of the Committee shall be convened by way of on-site meeting, video conference or teleconference in principle. Should an on-site meeting, video conference or teleconference be unable to be held in case of emergency, force majeure or other special reasons, such extraordinary meeting can be held by means of written communication. Where a meeting is held by means of written communication, the Committee members shall submit to the board of directors their written opinions on the matters to be discussed within the timeframe specified in the meeting notice.
- Article 29 Voting at the meetings of the Committee shall be conducted by a show of hands or by poll. Where any member cannot sign the resolutions made at a telephone meeting or video meeting in real time, the said member may orally give opinions first and responsively affix the written signature thereof as soon as possible, provided that there is no discrepancy between the opinions expressed by such member subsequently in signing the written resolutions and the opinions orally expressed by him/her at the meeting.
- Article 30 All items on the agenda shall be discussed during the meeting of the Committee, and the Committee members shall explicitly, independently and fully express their opinions based on their own judgment. In the case of any different opinions, such different opinions shall be stated in the meeting minutes to be presented to the board of directors.
- Article 31 The Committee may invite directors, related senior management members and relevant experts of the Company, external experts, scholars, intermediary agencies and relevant persons to attend a meeting. Such persons being invited shall give an explanation and elaboration on any issues as required by any Committee member.
- Article 32 Where it deems necessary, the Committee may, upon approval by the board of directors, seek professional advice from external professional personnel or organizations. Any reasonable cost so incurred shall be borne by the Company.
- Article 33 The procedures, voting method and the pass of resolutions in the meeting shall comply with the relevant provisions of applicable laws, regulations, the Articles of Association and these Terms of Reference.
- Article 34 If a member of the Committee is interested in any matter to be considered by the Committee, such member shall abstain from the discussion and voting of such matter.
- Article 35 All persons attending the Committee meetings shall keep all matters discussed at the meetings confidential and shall not disclose any such information without authorization.

## **Chapter 7 Minutes and Summary of the Committee Meetings**

Article 36 Minutes shall be kept for all meetings of the Committee, which shall be prepared by the working body of the Committee and contain the following information:

- (1) serial number, form, date, venue of the meeting and the name of the chairperson;
- (2) attendance and absence of members in person and by proxy;
- (3) names and posts of the persons present at the meeting;
- (4) agenda of the meeting;
- (5) main points made by the Committee members and other relevant persons present at the meeting;
- (6) name of the person taking minutes;
- (7) abstention of any interested member (if any), which shall be specified in the minutes or the relevant resolutions.

All Committee members attending the meeting shall sign the minutes.

Article 37 After each meeting of the Committee, the working body of the Committee shall prepare a meeting summary recording the considerations and discussions of the meeting.

Copies of the meeting summary shall be submitted to the board of directors of the Company and sent to all Committee members, the secretary of the board of directors, the human resource department of the Company and other relevant departments and persons.

Article 38 Meeting minutes, meeting summary, power of proxy, written opinions of the Committee members and other materials of the meeting of the Committee shall be kept by the office of the board of directors in accordance with relevant requirements.



## **Chapter 8 Supplementary Provisions**

- Article 39 Unless otherwise stated, terms used herein shall have the same meanings ascribed to them in the Articles of Association.
- Article 40 For any matter not covered in these Terms of Reference, or in the event of any conflict with any laws, administrative regulations, departmental rules, other normative documents, the Hong Kong Listing Rules or other regulatory rules of the listing jurisdiction(s), or the Articles of Association as amended following lawful procedures after the effectiveness of these Terms of Reference, the relevant state laws, administrative regulations, departmental rules, other normative documents, the Hong Kong Listing Rules or other regulatory rules of the listing jurisdiction(s), and the Articles of Association shall prevail. Amendments to these Terms of Reference shall be made forthwith and submitted to the board of directors for approval.
- Article 41 Subject to the consideration and approval by the board of directors, these Terms of Reference shall become effective and be implemented from the date on which the H shares publicly issued by the Company are listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited.
- Article 42 The rights of interpretation and amendment of these Terms of Reference shall be vested in the board of directors of the Company.