

# **Gpixel Changchun Microelectronics Inc.**

## **Terms of Reference of the Nomination Committee of the Board**

### **Chapter 1 General Provisions**

- Article 1** In order to regulate the appointment of Directors and senior management members of Gpixel Changchun Microelectronics Inc., optimize the composition of the Board of Directors and improve the corporate governance structure, the Company established the Nomination Committee of the Board and formulated these Terms of Reference 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 and the Articles of Association of Gpixel Changchun Microelectronics Inc. (the “**Articles of Association**”) and other relevant regulations.
- Article 2** The Nomination Committee is a specialized working body under the Board and is mainly responsible for making recommendations on the candidates, selection criteria and procedures for Directors and senior management of the Company.

### **Chapter 2 Composition**

- Article 3** The Nomination Committee shall comprise more than three (inclusive) Directors, the majority of whom shall be independent non-executive Directors. The Nomination Committee shall be composed of members of different genders.
- Article 4** Members of the Nomination Committee shall be nominated by the chairman of the Board, more than half of the independent non-executive Directors or more than one-third of all Directors, and shall be elected by the Board.
- Article 5** The Nomination Committee shall have a chairman (convener) to be served by the chairman of the Board or independent non-executive Director to take charge of the work of the Committee. The chairman shall be elected among the members of the Committee and reported to the Board for approval.

**Article 6** Members of the Nomination Committee shall serve for the same term as the Board and may serve consecutive terms if re-elected upon expiration of the term of office. Any member of the Committee who ceases to be a director of the Company shall automatically become disqualified, and the Committee shall appoint a replacement to fill in the vacancy caused by such disqualification in accordance with the provisions of Articles 3 to 5 mentioned above.

### **Chapter 3 Duties and Authorities**

**Article 7** The main duties and authorities of the Nomination Committee are as follows:

- (1) To make recommendations to the Board on the size and composition of the Board (and its changes) based on the Company's operating activities, strategies, asset size and shareholding structure;
- (2) to review the structure, size and composition (including the skills, knowledge and experience) of the Board annually;
- (3) to assist the Board in preparing a Board skills matrix;
- (4) to study and make recommendations to the Board on the selection criteria and procedure of Directors and senior management members;
- (5) to search extensively, identify and select individuals suitably qualified to be members of the Board and senior management members;
- (6) to review and make recommendations to the Board on candidates for Directors and senior management members;
- (7) to assess the independence of independent non-executive Directors;
- (8) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman of the board and the general manager;
- (9) to support the Company's regular evaluation of the Board's performance;
- (10) other matters conferred by the Board.

**Article 8** The Nomination Committee is accountable to the Board, and its proposals shall be submitted to the Board for review and decision.

#### **Chapter 4 Decision-making Procedures**

**Article 9** In accordance with the relevant laws, regulations, and the Articles of Association, and in light of the Company's actual circumstances, the Nomination Committee shall review the selection criteria and procedures as well as the term of office of the Company's Directors and senior management members and formulate resolutions of which a record is to be kept and submit for the approval of the Board and implement accordingly.

**Article 10** The selection procedures of Directors and senior management members are as follows:

- (1) the Nomination Committee shall actively communicate with the relevant departments of the Company and study the Company's need for any new Directors and senior management members and present such information in writing;
- (2) the Nomination Committee may search extensively for candidates for Directors and senior management members from within the Company, any entity in which the Company holds an interest (controlling or participating), and the job market;
- (3) to gather information about the occupation, academic qualifications, positions, detailed work experience and all the concurrent posts, full-time or part-time, of the candidates and present such information in writing;
- (4) to seek the nominee's consent to nomination; otherwise, the nominee cannot be a candidate for director or senior management members;
- (5) to convene a meeting of the Nomination Committee to review the qualifications of the shortlisted candidates against the selection criteria for Directors and senior management members;
- (6) to submit proposals and relevant materials to the Board on the candidates for Directors and new senior management members prior to the election of new Directors and the appointment of new senior management members;

- (7) to carry out other follow-up work based on resolutions and feedbacks of the Board.

## **Chapter 5 Rules of Procedure**

- Article 11** A notice shall be given to all members five days before the date of a meeting of the Nomination Committee. The meeting shall be presided over by the chairman of Committee, and in case the chairman is unable to attend, he or she may appoint another member of the Committee (independent Director) to preside over the meeting. Such notice may be waived with the unanimous consent of all members of the Committee.
- Article 12** The Nomination Committee meeting may only be held if more than half of the members are present. Each member has one vote, and resolutions made at the meeting must be passed by a majority of all members.
- Article 13** The voting methods of the Nomination Committee meetings are poll voting, communication voting, or a combination of poll voting and communication voting.
- On the premise of ensuring that all the members may fully express their opinions, the Nomination Committee may pass a written resolution without convening a meeting, provided that it shall comply with the advance notice requirements of these Terms of Reference and such resolution shall be circulated to all members of the Committee. After the resolution was signed by such number of people required to pass a resolution under these Terms of Reference, such resolution shall come into effect on the date the resolution was signed by the last signing member.
- Article 14** The Directors and other senior management members of the Company may be invited to attend the meeting of the Nomination Committee when necessary.
- Article 15** The Company should provide the Nomination Committee sufficient resources to perform its duties. Where necessary, the Nomination Committee may engage intermediaries to provide independent and professional advice for its decisions, and the cost shall be borne by the Company.
- Article 16** The convening procedures and voting methods of and resolution passed by the Nomination Committee's meeting shall comply with provisions of relevant laws, regulations, the Articles of Association and these Terms of Reference.

**Article 17** The Nomination Committee shall keep minutes of its meetings. Members present at a meeting shall sign the minutes of that meeting. Such meeting minutes shall be kept by the secretary of the Board of the Company.

**Article 18** Any resolution passed and the result of voting at a meeting of the Nomination Committee shall be reported in writing to the Board of the Company.

**Article 19** All members attending a meeting shall keep confidential all matters discussed at the meeting and shall not disclose any relevant information without authorization.

## **Chapter 6 Supplementary Provisions**

**Article 20** For the purposes of these Terms of Reference, the term “more than” is an inclusive term.

**Article 21** These Terms of Reference shall take effect from the date of listing and trading of the overseas listed foreign shares (H Shares) issued by the Company on The Stock Exchange of Hong Kong after being considered and approved by the Board.

**Article 22** Any matters not covered hereunder shall be subject to the provisions of relevant national laws, regulations and the Articles of Association; if these Terms of Reference are in conflict with the national laws and regulations promulgated in the future, or the Articles of Association as amended by lawful procedures, the latter shall prevail and amendments to these Terms of Reference shall be made immediately and submitted to the Board for consideration and approval.

**Article 23** The Board reserves the right of final interpretation of these Terms of Reference.