

# **Victory Giant Technology (HuiZhou) Co., Ltd.**

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

### **CHAPTER 1 GENERAL PROVISIONS**

**Article 1** In order to regulate the appointment of directors and senior management of Victory Giant Technology (HuiZhou) Co., Ltd. (hereinafter referred to as the “Company”), optimize the composition of the board of directors (hereinafter referred to as the “board of directors”) and improve the corporate governance structure, the Company has specifically established the nomination committee of the board of directors (hereinafter referred to as the “Nomination Committee” or the “Committee”), which serves as an internal body responsible for electing directors, president and other senior management of the Company.

**Article 2** To ensure that the Nomination Committee conducts its work legally and efficiently, the board of directors of the Company has formulated these Terms of Reference in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Code of Corporate Governance for Listed Companies on the ChiNext Market of Shenzhen Stock Exchange, the Measures for the Administration of Independent Directors of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association of the Company (hereinafter referred to as the “Articles of Association”) and other relevant provisions.

### **CHAPTER 2 COMPOSITION**

**Article 3** Members of the Nomination Committee shall consist of three directors and the majority of the members shall be independent non-executive directors. It should have at least one director of a different gender.

**Article 4** Members of the Nomination Committee shall be nominated by the chairman, more than one-half of independent non-executive directors or one-third of all directors, and shall be elected by the board of directors. The Nomination Committee shall have at least one director of a different gender and have one convener, who is responsible for presiding over the work of the Nomination Committee. The convener shall be the chairman of the board of directors or an independent non-executive director member and the convener and members of the Nomination Committee shall be appointed and removed by the board of directors.

The convener of the Nomination Committee shall be responsible for convening and presiding over the meetings of the Nomination Committee. If the convener of the Committee is unable or fails to perform his/her duties, he/she shall designate another member to exercise his/her powers on his/her behalf. If the convener of the Committee neither performs his/her duties nor designates another member to exercise his/her powers, any member may report the relevant circumstances to the board of directors and the board of directors shall designate a member to perform the duties of the convener.

**Article 5** The terms of office of the members of the Nomination Committee shall be in conformity with those of their directorship of the same session of the board of directors. Members may be re-elected or re-appointed at the expiry of their terms of office. A member of the Nomination Committee shall not, before the expiry of his term of office, be removed from office without cause except for the situations specified in the Company Law, Articles of Association, securities regulatory rules of the place where the Company's shares are listed or these Terms of Reference. During the term of office, if any member of the Nomination Committee ceases to be a director of the Company or any member as an independent non-executive director ceases to have independence as set out in the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association and his/her membership in the Nomination Committee lapses automatically, or if the resignation of an independent non-executive director results in the proportion of independent non-executive directors (including at least one director of a different gender) in the Nomination Committee failing to comply with the securities regulatory rules of the place where the Company's shares are listed or these Terms of Reference, the vacancy shall be filled up by the Committee in accordance with Articles 3 and 4 above. A member may tender his/her resignation to the board of directors during his/her term of office by giving a written resignation to explain the reason for resignation and matters which need to be brought to the attention of the board of directors.

**Article 6** Where the number of members of the Nomination Committee is less than two-thirds of the required number due to the resignation or removal of members or other reasons, the board of directors of the Company shall arrange for replacements to fill the vacancies in a timely manner. The term of office of any supplementary member shall last until the end of the term of office of such director. Before the number of members of the Nomination Committee reaches two-thirds of the required number, the Nomination Committee shall suspend the exercise of the powers provided in these Terms of Reference.

**Article 7** The provisions of the Company Law, the Articles of Association and the securities regulatory rules of the place where the Company's shares are listed regarding directors' obligations shall apply to members of the Nomination Committee.

**Article 8** The working group of the Nomination Committee shall act as the regular administrative body and shall be responsible for daily work communication and organization of meetings.

### **CHAPTER 3 POWERS AND DUTIES**

**Article 9** The Nomination Committee is a specialised working body set up by the board of directors, which is mainly responsible for conducting research and making recommendations on the candidates for directors and president of the Company, the selection criteria and procedures. Additionally, it shall review and make recommendations on candidates for the secretary of the board of directors nominated by the chairman, as well as candidates for other senior management nominated by the president.

**Article 10** The main powers and duties of the Nomination Committee are as follows:

- (I) to conduct research and make recommendations on the selection criteria and procedures for directors, president and other senior management;
- (II) to review the structure, size and composition (including the skills, knowledge, age, gender, cultural and educational background and experience) of the board of directors at least once a year, to assist the board of directors in maintaining a board skills matrix, and to make recommendations on any proposed changes to the board of directors to complement the Company's strategy;
- (III) to identify individuals suitably qualified to become board members and executives and select or make recommendations to the board of directors on the selection of individuals nominated for directorships and executives;
- (IV) to make recommendations to the board of directors regarding the appointment or re-appointment of directors and succession planning for directors, in particular the chairman of the board of directors and the president;
- (V) to formulate and appropriately review the board diversity policy, and prepare appropriate disclosures regarding the diversity policy to be included in the corporate governance report;
- (VI) to review and discuss the structure, size, and composition of the board of directors (including skills, knowledge, and experience), and provide advice on changes to the number of directors in alignment with the Company's strategy;
- (VII) to assess and verify the independence of independent non-executive directors; where the board of directors proposes a resolution to elect an individual as an independent non-executive director at the shareholders' meeting, the Nomination Committee shall set out in the circular to shareholders and/or explanatory statement accompanying the notice of such shareholders' meeting:
  - (1) the procedures adopted for identifying the individual, the reasons why the board of directors believes such individual should be elected and the reasons why it considers the individual is independent;
  - (2) if the proposed independent non-executive director will be appointed as a director for the seventh (or more) listed company, the reasons why the board of directors considers that the individual can still devote sufficient time to the board of directors;
  - (3) the perspectives, skills and experience that the individual can bring to the board of directors; and
  - (4) how the individual contributes to board diversity;
- (VIII) to support the Company in regularly evaluating the performance of the board of directors;

- (IX) to establish a talent pool for senior management, formulate selection procedures and criteria for senior management, conduct preliminary reviews of the qualifications and suitability of proposed candidates, and make recommendations to the board of directors;
- (X) Other matters prescribed by laws and regulations, regulatory rules of securities of the places where the Company's shares are listed and the Articles of Association, and authorized by the board of directors.

**Article 11** The Nomination Committee is accountable to the board of directors. The resolutions and proposals formulated by the Committee shall be submitted to the board for review and decision. The Nomination Committee shall provide all research and discussion records, materials and information to the board in the form of reports, recommendations and summaries, etc., for the board's consideration and decision-making.

**Article 12** The major duties and authorities of the convener of the Nomination Committee include:

- (I) to convene and preside over the Nomination Committee meetings and sign and issue meeting resolutions;
- (II) to propose the convening of meetings;
- (III) to head the Nomination Committee and ensure its effective operation and performance of duties;
- (IV) to ensure that a clear conclusion is drawn for each topic discussed by the Nomination Committee, such conclusion may be pass, rejection or deferral (to be reconsidered with supplementary materials);
- (V) to determine the agenda of each Nomination Committee meeting;
- (VI) to ensure that all members present at the Nomination Committee meeting are informed of the matters to be discussed at such meeting and that every member is provided with complete and reliable information;
- (VII) Other duties and authorities as required by national laws, regulations, normative documents, the securities regulatory rules of the places where the Company's shares are listed, these Terms of Reference and authorized by the board of directors.

**Article 13** Main duties and authorities of the members of the Nomination Committee include:

- (I) to attend Committee meetings on time, express their views on the subject matters under discussion and exercise voting rights at the meetings;
- (II) to propose topics to be discussed at the Committee meetings;
- (III) to attend as observer or listen to relevant meetings of the Company, and conduct investigations and research to obtain necessary information such as reports, documents and data for the purpose of discharging their duties;

- (IV) to have a full understanding of the responsibilities of the Committee as well as their own responsibilities as members of the Committee, and familiarise with the relevant operational and administrative status, business activities and development of the Company so as to ensure their ability to perform duties;
- (V) to ensure they have enough time and energy to discharge their responsibilities;
- (VI) other duties and authorities as required by national laws, regulations, normative documents, the securities regulatory rules of the places where the Company's shares are listed, these Terms of Reference and authorized by the board of directors.

**Article 14** The board of directors shall fully respect the recommendations of the Nomination Committee on the nomination of candidates for directors, president and other senior management, and shall not shelve the recommendations of the Nomination Committee on the nomination of candidates for directors and president without sufficient reasons or reliable evidence.

**Article 15** When the Nomination Committee performs its duties, relevant departments of the Company shall cooperate, and the daily operating expenses of the Nomination Committee shall be borne by the Company.

#### **CHAPTER 4 CONVENING AND NOTICE OF MEETING**

**Article 16** In principle, the Nomination Committee shall hold one regular meeting each year. The convener of the Nomination Committee or two or more (including two) members may jointly request the convening of an extraordinary meeting of the Nomination Committee.

**Article 17** Meetings of the Nomination Committee may be held by way of on-site meetings or by way of communication-based voting. The forms of communication-based voting include telephone, video, e-mail, and circulating written resolutions.

**Article 18** The notice for regular meetings and extraordinary meetings of the Nomination Committee shall be given not less than 3 days before the meeting (excluding the day of the meeting). This notice requirement may be waived with the unanimous consent of all members.

**Article 19** The notice of the meeting shall include the location and time of the meeting, the duration of the meeting, the agenda and topics to be discussed, and the date of issuance of the notice.

Notice of the Nomination Committee meetings may be delivered by fax, e-mail, telephone, or by personal delivery.

When the notice is delivered by telephone, e-mail or other speedy methods, the parties being notified shall be deemed to have received the notice of the meeting if no written objection is received from them within two days from the date of delivery of the notice.

#### **CHAPTER 5 CONSIDERATION AND VOTING PROCEDURES**

**Article 20** Meetings of the Nomination Committee should only be held when more than two-thirds (inclusive) of the members are present.

**Article 21** The meeting shall be chaired by the convener of the Nomination Committee, who may delegate a member to chair in their absence.

**Article 22** Members of the Nomination Committee may attend meetings in person or appoint another member as a proxy to attend and exercise the voting right on their behalf.

**Article 23** If a member of the Nomination Committee appoints another member as his/her proxy to attend the meeting and exercise his/her right to vote, he/she shall submit a power of attorney to the chairman of the meeting. The power of attorney shall specify the scope and duration of the authorization. The power of attorney shall be submitted to the presiding officer no later than the time of voting.

**Article 24** The member attending a meeting on behalf of another member shall exercise the rights within the scope of authorization. If a member of the Nomination Committee neither attends the meeting in person nor appoints a proxy to attend on his/her behalf, he/she shall be deemed absent. If a member of the Nomination Committee is absent from two consecutive meetings, he/she shall be deemed to be unable to properly perform his/her duties, and the board may revoke his/her position.

**Article 25** A member who is unable to attend a meeting in person may also exercise his/her rights by submitting his/her opinion in writing with respect to any matter to be discussed, provided that such written opinion shall be submitted to the office of the board of directors before the meeting at the latest.

**Article 26** Resolutions made by the Nomination Committee shall not be valid unless passed by more than half of all members (including those absent from the meeting) voting thereon.

Each member of the Nomination Committee has one vote.

**Article 27** Members of the working team of the Nomination Committee may attend the meetings of the Nomination Committee. If it is deemed necessary, the Nomination Committee may invite other persons in relation to the proposals of meeting to attend the meeting to provide information or opinions, but persons who are not members of the Nomination Committee shall not have voting rights on the proposals.

**Article 28** The Nomination Committee may engage an intermediary to provide professional advice for its decision-making, if necessary, and the reasonable expenses incurred shall be paid by the Company.

**Article 29** Members attending the meeting should consider the proposals in a serious and responsible manner and fully express their personal opinions. Members are responsible for their personal votes.

**Article 30** Voting at the meetings of the Nomination Committee may be by show of hands or poll.

**Article 31** The Nomination Committee shall report the adopted proposals and voting results in writing to the board of directors of the Company.

**Article 32** The board of directors of the Company shall disclose the work contents of the Nomination Committee in the past year, including the meeting situations and resolutions, in the annual work report.

**Article 33** The procedures for convening meetings of the Nomination Committee, way of voting and resolutions approved at the meeting must comply with the provisions of relevant laws, regulations, the securities regulatory rules of places where the Company's shares are listed, the Articles of Association and these Terms of Reference.

**Article 34** The Nomination Committee must keep minutes of its meetings in writing. Minutes of meetings shall be prepared by the office of the board of directors and include the following:

- (I) method, date, venue and name of the chairman of the meeting;
- (II) attendance and absence and attendance by proxy;
- (III) topics of the meeting;
- (IV) deliberations and voting at the meeting;
- (V) name of the person taking minutes.

Members of the Committee present at the meeting and the recorder shall sign the minutes of the Committee meeting. Members attending the meetings are entitled to request their statements at the meetings to be stated in the minutes as explanatory records. The minutes of the Nomination Committee meetings shall be maintained by the Company secretary as corporate archives. They must be kept for a minimum of ten years for the duration of the Company's existence.

**Article 35** The Nomination Committee members shall maintain the confidentiality of any information they learn about the Company before the same is made public, unless required by applicable laws, regulations and rules or by the competent authorities and with consent from the Board.

## **CHAPTER 6 SUPPLEMENTARY PROVISIONS**

**Article 36** Any matters not covered by these Terms of Reference shall be executed in accordance with provisions of the applicable laws, regulations, regulatory documents, the securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association. In the event of any conflict between these Terms of Reference and the applicable laws, regulations, regulatory documents, the securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association, then the applicable laws, regulations, regulatory documents, the securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association shall prevail. These Terms of Reference shall be amended forthwith and proposed to the board for consideration and approval.

**Article 37** These terms as used herein shall have the same meanings as those used in the Articles of Association, unless otherwise required in these Terms of Reference.

**Article 38** The power of interpretation of these Terms of Reference shall be vested in the board of the Company.

**Article 39** These Terms of Reference shall come into force from the date when the H shares issued by the Company are listed on The Stock Exchange of Hong Kong Limited upon the approval of the board of directors.