

**Yinsheng Digifavor Company Limited**  
**銀盛數惠數字有限公司**  
(the “**Company**”)  
*(Incorporated in the Cayman Islands with limited liability)*  
(**Stock Code: 3773**)

**TERMS OF REFERENCE OF NOMINATION COMMITTEE**

**Purpose**

1. The purpose of the Nomination Committee is to identify and recommend to the board of directors of the Company (the “**Board**”) appropriate candidates to serve as directors of the Company, to evaluate the structure and composition of the Board and to develop, recommend to the Board and monitor nomination guidelines for the Company.

**Membership**

2. The Nomination Committee shall be appointed by the Board from time to time and shall consist of not less than three directors, a majority of which shall be independent non-executive directors who shall meet 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**”).
3. The Board shall appoint the chairman of the Board, or one member of the Nomination Committee who is also an independent non-executive director, as the chairman of the Nomination Committee (the “**Chairman**”).

**Meetings**

4. The Nomination Committee shall meet at least once annually, or more frequently if circumstances require.
5. All meetings of the Nomination Committee may be held by telephone or other electronic means.
6. Unless otherwise agreed by all the Nomination Committee members, a meeting shall be called in at least three days’ notice. Notice shall be given to each Nomination Committee member in person orally or in writing. Notice of meeting shall state the purpose, time and venue of the meeting.
7. The Chairman (or in his or her absence, a member of the Nomination Committee designated by the Chairman) shall preside at all meetings of the Nomination Committee. The Chairman shall be responsible for leading the Nomination Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.
8. The company secretary of the Company or any other designated person shall be the secretary (the “**Secretary**”) of the Nomination Committee.
9. The quorum for a meeting shall be two members of the Nomination Committee, of which one has to be an independent non-executive director.

10. A Nomination Committee member may not appoint any alternate.
11. Proceedings of meetings of the Nomination Committee shall be governed by the provisions of Article 20.8 of the Articles of Association of the Company.
12. Minutes of meetings (both draft and final versions) of the Nomination Committee and the records of individual attendance at such meetings shall be prepared by the Secretary which shall be sent to all members of the Nomination Committee as soon as practicable after the conclusion of the meeting.
13. A resolution signed by all the Nomination Committee members shall be as valid and effectual as a resolution passed at a meeting of the Nomination Committee duly convened and held and may consist of several documents in like form each signed by one or more members.

### **Authority**

14. The Nomination Committee is authorised by the Board to determine the procedures, process and criteria to be adopted for purposes of selecting and recommending candidates for directorship and shall be provided with sufficient resources to perform its duties, including but not limited to obtaining independent professional advice and assistance from internal or external legal, accounting or other advisers at the expense of the Company where necessary.
15. The Nomination Committee shall have full access to management and may invite members of management or others to attend its meetings. The Nomination Committee will consult the chairman of the Board and/or chief executive officer of the Company about their proposals relating to the selection and appointment of directors.

### **Duties**

16. The Nomination Committee shall perform the following duties:
  - (a) to regularly review (at least once a year) the structure, size and composition (including skills, knowledge and experience) of the Board of the Company and to make recommendations on any proposed changes to the Board of the Company to complement the corporate strategy;
  - (b) to analyze and make recommendations to the Board of the Company on the selection criteria and procedures for directors and senior management (consists of top-level employees) of the Company, and to search extensively for candidates suitably qualified to become directors and senior management of the Company in a timely manner, and to review and make recommendations to the Board of the Company on their candidacy;
  - (c) to make recommendations to the Board of the Company on matters relating to the appointment or re-appointment of the directors and senior management of the Company and their succession (in particular the succession of the chairman of the Board and chief executive officer of the Company) planning;
  - (d) to verify the personal information of all candidates for election or re-election of directors and senior management of the Company, and submit the verification result to the Board of the Company or the general meeting for reference;

- (e) in case of resignation or removal of a director of the Company, to present the Board of the Company the reasons for such resignation or removal and other matters that need to be specified to the shareholders of the Company; to conduct pre-assessment of the skills, knowledge, experience and working background of the director candidates to be appointed to fill casual vacancy, and submit the assessment result to the general meeting for shareholder's reference after consideration and approval by the Board of the Company;
- (f) in case of resignation or removal of a senior management of the Company, to present the Board of the Company the reasons for such resignation or removal; to conduct pre-assessment of the skills, knowledge, experience and working background of the candidates to be appointed to fill casual vacancy of senior management, and submit the assessment result to the Board of the Company for consideration and approval;
- (g) to assess the independence of independent non-executive directors of the Company; in case of nominating candidate of an independent non-executive director of the Company, to examine the independence, credentials, and expertise of such candidate as well as compliance with the provisions regarding the qualifications of independent non-executive directors of the relevant laws, regulations and regulatory rules of the place where the shares are listed, and submit the examination result to the Board of the Company for consideration and approval;
- (h) to formulate and review (at least once a year) the standards for establishing the respective special committees under the Board and provide proposed amendments to the Board when appropriate;
- (i) to review annually the qualifications and potential conflict of interests of the chairmen and other members of the respective special committees under the Board of the Company, and make proposals to the Board of the Company on replacement and recommendation of candidates of members of such committees;
- (j) to examine the candidates of directors, senior management, and other special committees under the Board, and present examination opinions and appointment recommendations;
- (k) to report the decisions or recommendations made by the Nomination Committee to the Board, unless there are legal or regulatory restrictions on their ability to do so;
- (l) to monitor and review the Board Diversity Policy, as appropriate; and to review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and make disclosure of its review results in the Corporate Governance Report annually;
- (m) other duties as conferred by the Board of the Company; and
- (n) relevant requirements on the amendments to the terms of reference of the Nomination Committee as a result of the amendments to the Listing Rules from time to time.

## **Reporting**

17. The Nomination Committee shall report to the Board on a regular basis.