

# **Tianju Dihe (Suzhou) Technology Co., Ltd.**

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

### **Chapter 1 General Provisions**

**Article 1** In order to further establish the comprehensive selection criteria and procedures for directors and senior management officers of Tianju Dihe (Suzhou) Technology Co., Ltd. (the “Company”), and improve the corporate governance structure, in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the Articles of Association of Tianju Dihe (Suzhou) Technology Co., Ltd. (the “Articles of Association”) and requirements of other laws and regulations, the Company has established the Nomination Committee of the Board and formulated the following terms of reference in light of the actual conditions of the Company.

**Article 2** The Nomination Committee of the Board is a special working body under the Board established with the approval of the shareholders’ general meeting, and is mainly responsible for the submission of candidates of directors and senior management officers, conducting studies on the selection criteria and procedures, and providing advice and recommendations to the Board.

### **Chapter 2 Composition**

**Article 3** The Nomination Committee shall consist of three (3) directors, and more than one-half (1/2) of the members shall be independent non-executive directors.

**Article 4** The members of the Nomination Committee shall be nominated by the Chairman of the Board, more than one-half (1/2) of the independent non-executive directors or more than one-third (1/3) of all members of the Board, and shall be elected by more than half of all directors of the Board.

**Article 5** Members of the Nomination Committee must meet the following conditions:

- (1) not being under any conditions where a person shall not serve as a director, supervisor or senior management officer in accordance with the laws of the place of listing, the Listing Rules, the Company Law or the Articles of Association;
- (2) not having been publicly denounced or declared as an unsuitable candidate by a stock exchange of any place, including the place of listing, within the last three (3) years;
- (3) not having been subject to administrative penalty by China Securities Regulatory Commission due to gross violation of laws and regulations within the last three (3) years;
- (4) having high standards of ethical behaviour and relevant professional knowledge or working background in enterprise management, finance, law, etc.;
- (5) compliance with relevant laws of the place of listing, and other laws, regulations, the Listing Rules, or other conditions stipulated in the Articles of Association.

**Article 6** Anyone who does not conform to the appointment qualifications prescribed in the preceding Article shall not be elected as a member of the Nomination Committee. A member of the Nomination Committee who does not conform to the qualifications prescribed in the preceding Article during his/her term of service shall resign or be replaced by the Board of the Company.

**Article 7** The Nomination Committee shall have one (1) chairman, who shall be the convener, and shall be responsible for presiding over the meetings of the committee. The Chairman of the Board or an independent non-executive director may act as the chairman who shall be approved by the Board for appointment.

**Article 8** The term of service of the members of the Nomination Committee shall be the same as that of directors, and committee members are eligible for re-election upon expiration of their term of service. Before the expiration of the term of service, if a member ceases to be a director of the Company or a member who should be an independent non-executive director but ceases to meet the independence criteria as stipulated in the relevant laws and regulations, the Listing Rules or the Articles of Association, such member shall automatically lose his/her qualification as a committee member, and the Board will replenish the vacancy of such member in accordance with the above requirements. Before commencement of service by the replenished member, the original member shall continue to perform the relevant duties in accordance with these terms of reference.

**Article 9** The relevant departments shall be responsible for communication of daily operations and organisation of meetings of the Nomination Committee.

### **Chapter 3 Duties and Powers**

**Article 10** The major duties and powers of the Nomination Committee are:

- (1) Review the structure, number and composition of the Board of Directors (including skills, knowledge and experience) at least annually, and make recommendations on any proposed changes to the Board in line with the Company's corporate strategies;
- (2) Identify persons with suitable qualifications to serve as directors, and select and nominate relevant persons to serve as directors or provide advice to the Board in this regard;
- (3) Evaluate the independence of independent non-executive directors;
- (4) Make recommendations to the Board on the appointment or re-appointment of directors and the succession plan for directors (especially for the Chairman of the Board and the Chief Executive Officer);
- (5) Make recommendations to the Board on the personnel and composition of the Board based on the Company's operating activities, asset size and equity structure;
- (6) Study the selection criteria and procedures for directors and senior management officers and make recommendations to the Board;
- (7) Extensively search for qualified directors and senior management candidates;

- (8) Review and make recommendations on director candidates and senior management candidates;
- (9) Review and make recommendations on other senior management officers who must be submitted to the Board for appointment;
- (10) Develop a policy regarding the diversity of Board members and disclose the diversity policy or policy summary in the corporate governance report. Review and implement the Board Diversity Policy adopted by the Board from time to time, review progress towards achieving goals, and disclose the results of its review in the Company's annual report;
- (11) Disclose the policy on nominating directors in the work summary for the year, including the nomination procedures and selection and recommendation criteria adopted by the nomination committee for director candidates during the year;
- (12) Fulfill the requirements of the Listing Rules and other responsibilities assigned by regulatory agencies such as The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange") and the Hong Kong Securities and Futures Commission;
- (13) If the Board intends to propose a resolution to elect an individual as an independent non-executive director at the general meeting of shareholders, the circular and/or explanatory letter to shareholders attached to the notice of the general meeting of shareholders should state (1) based on the process of identifying the individual, the reasons why the Board believes that the individual should be selected and the reasons why it believes that the individual is independent; (2) If the candidate of independent non-executive director will serve as a director for the seventh (7th) (or above) listed company, the reason why the Board believes that the person is still able to devote enough time to perform the responsibilities of a director; (3) the perspectives, skills and experience that the person may bring to the Board; and (4) how the person may promote the diversity of Board members;
- (14) Matters stipulated in applicable laws, regulations, Listing Rules, Articles of Association and other matters authorized by the Board.

**Article 11** The Nomination Committee is responsible to the Company's Board of Directors, and the Nomination Committee's proposals must be submitted to the Board for review and decision; the Nomination Committee should provide all research discussions, materials and information to the Board of Directors in the form of reports, suggestions or summaries for studies and decision-making by the Board.

Controlling shareholders should fully respect the recommendations of the Nomination Committee, shall not propose alternative candidates for directors and senior management officers without sufficient reasons or reliable evidence.

**Article 12** The Nomination Committee should publish its terms of reference on the Hong Kong Stock Exchange website and the Company's website, explaining its role and the powers delegated to it by the Board.

**Article 13** The Nomination Committee shall be provided with sufficient resources to perform its duties.

## **Chapter 4 Decision-making Process**

**Article 14** In accordance with the provisions of relevant laws, administrative regulations, the Listing Rules and the Articles of Association, and considering the actual situation of the Company, the Nomination Committee shall study the election conditions, selection procedures and term of office of the Company's directors and senior management officers to make a decision for filing and submission to the Board for review and approval and for implementation accordingly.

**Article 15** Selection procedures for directors and general managers:

- (1) The Nomination Committee should actively communicate with relevant departments, study the Company's needs for new directors and senior management officers, and compile into written materials;
- (2) The Nomination Committee may search extensively for candidates of directors and general managers within the Company, the holding (shareholding) companies and the talent market;
- (3) Search for the occupation, academic qualifications, job titles, detailed working experience, all part-time jobs and other information of the candidates and compile into written materials;
- (4) Solicit the nominee's opinions and requirements on the nomination, and the nominee cannot be selected as a candidate of director or senior management officer without the nominee's consent;
- (5) Convene a meeting of the Nomination Committee to review the qualifications of the candidates for selection based on the appointment qualifications of directors and senior management officers;
- (6) Submit proposals and relevant materials of candidates for directors and appointments for new senior management officers to the Board within a reasonable time before the election for new directors and the appointment of general managers;
- (7) Carry out other follow-up work based on the decisions and feedback of the Board.

## **Chapter 5 Annual General Meeting**

**Article 16** The chairman of the Nomination Committee or (if absent) the other member of the Nomination Committee (who must be an independent non-executive director) should attend the annual general meeting of the Company, and handle the shareholders' enquiries on the activities and responsibilities related to the Nomination Committee at such meetings.

**Article 17** If the chairman of the Nomination Committee is unable to attend the Company's annual general meeting, he/she must arrange for another member of the committee to attend the meeting. Such person shall be prepared to answer questions from the shareholders regarding the work of the committee at the annual general meeting.

## Chapter 6 Rules of Procedures

**Article 18** Nomination Committee meetings are divided into regular meetings and ad hoc meetings. The Nomination Committee meets at least once a year and all members are notified fourteen (14) days before the meeting (unless all members of the Nomination Committee unanimously approve an exemption from such notification). If an ad hoc meeting needs to be held as soon as possible, a notice may be sent by means of communication, email or fax three (3) days before the ad hoc meeting, but the chairman shall make an explanation at the meeting and provide sufficient basis for the members to exercise their voting rights. The meeting shall be chaired by the chairman. When the chairman is unable to perform his/her duties or fails to perform his/her duties, he shall designate another member to act on his/her behalf; when the chairman neither performs his/her duties nor appoints another member to act on his/her behalf, more than half of the members may elect one (1) member to act as chairman on his/her behalf, and report relevant circumstances to the Board of the Company in a timely manner.

**Article 19** A notice of the meeting shall include the following information:

- (1) the time, venue and manner of the meeting;
- (2) the duration of the meeting;
- (3) the topics to be discussed at the meeting;
- (4) the contact person and contact details for the meeting;
- (5) the date of the notice of meeting.

**Article 20** The meeting agenda and all relevant meeting documents shall be sent to all members of the committee and, where appropriate, other attendees at the latest three (3) days prior to the meeting (or such other time limit as agreed by the members). Before the meeting, members should fully read the meeting materials.

**Article 21** In principle, the meetings of the Nomination Committee shall be held in the form of on-site, video or telephone conferences. If it is impossible to hold on-site, video or telephone conferences due to special reasons such as emergencies or force majeure, written communication may be used.

**Article 22** The meeting of the Nomination Committee shall be held only with the attendance of more than two-thirds (2/3) of its members. Each member shall have one vote. Resolutions made at the meeting must be passed by more than half of all the members.

**Article 23** Votes shall be taken by a show of hands or on a poll at the meeting of the Nomination Committee, if necessary, voting may be conducted by means of communication.

**Article 24** A resolution in writing passed and signed by all members of the Nomination Committee shall be valid as if it has been passed at a meeting duly convened and held by the Nomination Committee.

**Article 25** Directors, supervisors and senior management officers and the heads of the relevant departments of the Company may also be invited to attend the meetings of the Nomination Committee as and when necessary.

**Article 26** If necessary, the Nomination Committee may hire an intermediary to provide professional advice for its decision-making, and the expenses incurred shall be borne by the Company.

**Article 27** The procedures for convening the meetings of the Nomination Committee, the voting methods and resolutions passed at such meeting must comply with the provisions of the relevant laws, administrative regulations, the Listing Rules, the Articles of Association and these terms of reference.

**Article 28** The minutes of meetings of the Nomination Committee shall record sufficient details of the matters considered and the decisions reached by the Nomination Committee, including any concerns raised or any dissenting views expressed by the members, and shall at least include the following particulars: the date, time, venue, chairman, attendees and agenda of the meeting, the key points of the members' speeches on each matter for consideration, the voting result of each matter and other matters that should be explained and recorded in the minutes of meeting.

**Article 29** The minutes of meetings shall be signed by each attending member and kept by the secretary to the Board of the Company according to the file management system of the Company.

**Article 30** The draft of the minutes of meeting of the Nomination Committee shall be sent to all committee members on the day of the meeting for their comments. The resolutions passed at the meeting of the Nomination Committee and their voting results shall be submitted in writing to the Board of the Company by the committee members or the secretary to the Board no later than the day after the resolutions of the meeting take effect for the Board to review and make decisions.

**Article 31** Members present at meetings of the Committee, and those present as observers, shall owe a duty of confidentiality as regards matters discussed during such meetings. No unauthorised disclosure of such information shall be allowed, save otherwise stipulated in the relevant laws, regulations and/or rules of regulatory bodies.

**Article 32** Meetings of the Nomination Committee shall be attended by members in person. If a member is unable to attend a meeting, he/she may appoint another member in writing to attend on his/her behalf. Where a member does not attend a meeting of the Nomination Committee nor appoints a representative to attend, he/she shall be deemed to have abstained from voting at that meeting.

**Article 33** If any member of the Nomination Committee fails to attend in person nor appoint another member to attend on his/her behalf for two (2) consecutive meetings, he/she shall be deemed to have failed to perform his/her duties, and the members of the Nomination Committee shall propose to the Board to replace such member.

## **Chapter 7 Recusal System**

**Article 34** When a member of the Nomination Committee or his/her direct relative, or other companies controlled by a member of the Committee or his/her direct relative has direct or indirect interests in the matters to be discussed at meetings of the Nomination Committee, such member shall disclose the nature and degree of such interests to the Nomination Committee as soon as possible.

**Article 35** In the event of occurrence of the circumstances described in the preceding Article, the interested member shall give a detailed account of the relevant situation at the meeting of the Nomination Committee and shall expressly abstain himself/herself from voting. However, if other members of the Nomination Committee unanimously agree, after consideration, that such interests would have no material influence on the matters to be voted on, the interested member may vote.

**Article 36** Where the Board of the Company considers it is improper for the interested member in the preceding paragraph to vote, it may revoke the voting results of the relevant resolution and request for re-voting on the relevant resolution by non-interested members.

**Article 37** The Nomination Committee shall consider and resolve on proposals at the meeting without counting the interested members in the quorum. If the minimum quorum of the Nomination Committee is not present after the recusal of interested member, all members (including the interested member) shall resolve on the procedural matters regarding whether to submit the proposed resolutions to the Board of the Company for approval, and the Board of the Company shall consider such proposed resolutions accordingly.

**Article 38** Minutes of meetings of the Nomination Committee and resolutions passed at the meetings shall clearly state that the interested member was not counted in a quorum and did not vote on such resolutions.

## **Chapter 8 Supplementary Provisions**

**Article 39** The requirements of the Company Law, the Articles of Association and the Listing Rules on the obligations of directors are applicable to members of the Nomination Committee.

**Article 40** Any matters not covered herein shall be implemented in accordance with the relevant requirements of the relevant laws and regulations of the PRC and the place(s) where the shares of the Company are listed and the regulatory documents including the Articles of Association and the Listing Rules. In the event that these terms of reference are in contravention with the laws and regulations promulgated in future by the PRC and the place(s) where the shares of the Company are listed and the Listing Rules and Articles of Association as amended subsequently through lawful procedures, such matters shall be implemented in accordance with the requirements of the relevant laws and regulations of the PRC and the place(s) where the shares of the Company are listed and Listing Rules and Articles of Association, and amendments to these terms of reference shall be made immediately and submitted to the Board of the Company for consideration and approval (except for requirements that are stricter under these terms of reference).

**Article 41** Unless otherwise specified, the expression of “more than” and “less than” referred to in these terms of reference shall include the figure mentioned; the expression of “more than half” shall not include the figure mentioned.

**Article 42** The provisions of these terms of reference that come into effect upon the listing of the Company shall be effective and implemented on the date when the H Shares issued under the Company’s initial public offering are listed and traded on the Hong Kong Stock Exchange.

**Article 43** These terms of reference shall take effect from the date of approval by the Board and the same applies to any amendments made.

**Article 44** These terms of reference shall be construed and interpreted by the Board of the Company. The Board may, in accordance with the requirements under the laws and regulations of the place(s) where the shares of the Company are listed, including the relevant laws, regulations, rules and other regulatory documents, and the Listing Rules, and in light of the actual conditions of the Company, make amendments to these terms of reference and submit them for approval at a general meeting, and amendments to these terms of reference shall take effect from the date of approval by the general meeting.

**Article 45** Unless otherwise provided specifically or unless there is a different meaning based on the context, the terms used herein shall have the same meanings as those in the Articles of Association.