

**BEIJING SINOHYTEC CO., LTD.  
TERMS OF REFERENCE OF  
THE NOMINATION COMMITTEE UNDER  
THE BOARD OF DIRECTORS**

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## CHAPTER 1 GENERAL PROVISIONS

**Article 1** To regulate the appointment of directors and senior management members of Beijing SinoHytec Co., Ltd. (the “**Company**”), optimize the composition of the board of directors and perfect the corporate governance structure, these rules are formulated in accordance with the Company Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stock on the Science and Technology Innovation Board of Shanghai Stock Exchange (the “**Listing Rules**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), the Articles of Association of Beijing SinoHytec Co., Ltd. (the “**Articles**”) and other relevant regulations.

**Article 2** The nomination committee under the board of directors (the “**Nomination Committee**”) is a specific working body set up by the board of directors in accordance with the resolution of the shareholders’ general meeting and is accountable to the board of directors.

## CHAPTER 2 COMPOSITION

**Article 3** The Nomination Committee shall comprise three directors with independent non-executive directors as the majority, who shall be elected by the board of directors and the convener shall be an independent non-executive director.

**Article 4** Members of the Nomination Committee shall be nominated by the chairman of the board of directors, more than half of the independent non-executive directors or more than one third of all the directors and shall be elected by the board of directors.

**Article 5** The Nomination Committee shall have a chairman (convener) who shall be an independent non-executive director and preside over the Committee. The chairman, in case of failure or inability to perform his/her duties, shall designate another independent non-executive director to act on his/her behalf.

**Article 6** The term of office of the Nomination Committee is consistent with that of the board of directors. After expiration of such term, a committee member may serve for another term upon re-election. If a committee member ceases to be a director of the Company or otherwise is unable to fulfill his/her duty as a director before the expiry of his/her term of office, such member shall be disqualified as a member automatically and the board of directors shall appoint a new member to fill the vacancy pursuant to the requirements of Articles 3 to 5 set out above. If a member of the committee has not attended the committee meetings in person for two consecutive times, nor has he/she entrusted other members of the committee to perform his/her duties, nor has he/she submitted written opinions before the meeting is deemed to be unable to perform the duties as a committee member, the board of directors may adjust the composition of the committee members in accordance with these terms of reference.

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.

### **CHAPTER 3 DUTIES AND AUTHORITIES**

**Article 7** The responsibilities of the Nomination Committee are drawing up selecting standards and procedures of directors and senior management members, selecting and reviewing the candidates for directors and senior management members and their qualifications and making recommendations to the board of directors on the following matters:

- (I) The nomination, appointment and dismissal of directors;
- (II) The appointment or dismissal of senior management members;
- (III) Other matters required by laws, administrative regulations, the CSRC and the Articles.

If the board of directors does not adopt or does not fully adopt the recommendations of the Nomination Committee, it shall record the opinion of the Nomination Committee and the specific reasons for non-adoption in the resolution of the board of directors and disclose the same.

**Article 8** The primary responsibilities and authorities of the Nomination Committee include:

- (I) to review the structure, size and composition (including the skills, knowledge and experience) of the board of directors at least annually and make recommendations to the board of directors on the size and composition of the board of directors based on the Company's operating activities, asset size and shareholding structure, and make recommendations on any proposed changes to the board of directors to complement the Company's strategy;
- (II) to formulate the criteria for identifying candidates for members of the board of directors and senior management members and reviewing and assessing their qualifications;
- (III) to formulate and regularly review measurable objectives for the implementation of the Board Diversity Policy and monitor the progress of the implementation of such objectives;
- (IV) to identify individuals suitably qualified to become a member of the board of directors and senior management and make recommendations to the board of directors on the selection and nomination of individuals nominated for directors and senior management members;

- (V) to review the independence of independent non-executive directors;
- (VI) to make recommendations to the board of directors on the appointment or re-appointment of directors and senior management members, and succession planning for directors and senior management members;
- (VII) to formulate, inspect and evaluate the appropriateness of the corporate governance guidelines of the Company, and make recommendations on any proposed changes to the board of directors for consideration;
- (VIII) to examine and supervise the training and continuous professional development of directors and senior management members;
- (IX) to formulate, review and supervise the code of conduct and compliance manual (if any) applicable to directors and senior management members;
- (X) to review the qualifications of the candidates nominated as independent non-executive directors and form clear review opinions;
- (XI) other matters authorized by the board of directors.

**Article 9** The Nomination Committee is accountable to the board of directors and the proposals submitted by the Nomination Committee shall be submitted to the board of directors for consideration and approval. The board of directors shall give due respect to the recommendations made by the Nomination Committee on the nomination of candidates for directors and senior management members, and shall not set aside or refuse to vote on the candidates for directors and senior management members nominated by the Nomination Committee without sufficient reasons or reliable evidence. The controlling shareholder shall give due respect to the recommendations of the Nomination Committee without sufficient reason or reliable evidence.

**Article 10** The chairman of the Nomination Committee or in his absence, another member of the Nomination Committee or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to questions at the annual general meeting on the Nomination Committee's work and responsibilities.

**Article 11** The Company shall provide the Nomination Committee sufficient resources to perform its duties. Where necessary, the Nomination Committee shall seek independent professional advice, at the Company's expense, to perform its responsibilities.

## CHAPTER 4 PROCEDURES OF DECISION MAKING

**Article 12** The Nomination Committee shall, pursuant to the relevant laws and regulations, the Listing Rules, the Hong Kong Listing Rules and the Articles together with the actual situation of the Company, examine the qualifications, selection process and terms of office for the Company's directors and senior management members, form a resolution, file it for the record, submit it to the board of directors for approval and implement it in compliance therewith.

**Article 13** Procedures for selection and appointment of directors and senior management officers:

- (I) the Nomination Committee shall proactively communicate with the Company's relevant departments, examine the Company's demand for new directors and senior management officers, and present such information in writing;
- (II) the Nomination Committee may search extensively for candidates for directors and managers from the Company, the enterprises in which the Company holds controlling or non-controlling interest and the HR market;
- (III) to gather information about the occupation, academic qualifications, post title, detailed work experience and all the concurrent posts of the candidates and present such information in writing;
- (IV) to seek the nominees' consent for nomination; otherwise, the nominees cannot be the candidates for directors or managers;
- (V) to convene a Nomination Committee meeting to review the qualifications of the candidates on the criteria for directors or senior management;
- (VI) to make suggestion to the board of directors regarding the candidates for directors and new managers and submit the relevant information to the board of directors prior to the election of new directors and appointment of new senior management;
- (VII) to complete other follow-up work according to the decision and feedback from the board of directors.

## CHAPTER 5 PROCEDURES OF MEETINGS

**Article 14** The meetings of the Nomination Committee fall into two categories: regular meetings and extraordinary meetings.

The Nomination Committee shall convene at least one regular meeting during each fiscal year. The regular meetings shall be convened within four months after the end of the previous fiscal year. An extraordinary meeting of the Nomination Committee may be requested by the chairman of the board of the directors of the Company, the chairman of the Nomination Committee or more than two of its members jointly. Unless otherwise agreed by all the members of Nomination Committee, the notice of meetings of the Nomination Committee shall be given 3 days prior to the date of a meeting, and reasonable notice shall be given for other meetings.

In case of an emergency or an extraordinary meeting called from time to time, it is not subject to the above notification time limit, and the meeting notice may be given through telephone or other oral means at any time, but the convener shall make an explanation at the meeting.

The meetings shall be presided over by the chairman of the committee. In the event that the chairman fails to attend the meeting, he or she may appoint another committee member (being the independent non-executive director) to preside over the meeting.

**Article 15** Members of the Nomination Committee may attend the meetings in person or by other electronic means or through other means agreed upon among the members.

**Article 16** If a member cannot attend the meeting for any reason, he/she shall entrust other members as a proxy in writing to attend the meeting on his/her behalf. The power of attorney shall specify the name of the proxy, matters, authority and valid period, and shall be executed or sealed by the principal. The member attending the meeting as a proxy shall exercise the rights of the member as a principal within the scope of authorization. A member of the Nomination Committee who does not attend a meeting in person nor appoint another member to attend on his/her behalf shall be considered to give up the vote right in the meeting.

**Article 17** A Nomination Committee meeting may only be convened with the presence of more than two-thirds of the members. Each member has one vote. Resolutions may only be passed by more than half of all the members voting in favor of such resolutions.

**Article 18** Votes may be made by a show of hands or by poll in a meeting of the Nomination Committee, while voting at an extraordinary meeting of the Committee may also be made by correspondence.

**Article 19** The Nomination Committee may also invite other directors, supervisors and senior management of the Company to present at its meetings if necessary.

**Article 20** The Nomination Committee shall be provided with sufficient resources to perform its duty. The Nomination Committee may, if necessary, engage an intermediary to provide professional advice on its decision-making at the cost of the Company.

**Article 21** The procedures for convening of a meeting of Nomination Committee, its voting methods and proposals to be passed at such meeting must comply with the provisions of applicable laws and regulations, the Listing Rules, the Hong Kong Listing Rules, the Articles and these terms of reference.

**Article 22** The relevant documents, plans, proposals, resolutions and minutes (records) of the Nomination Committee shall be kept by the secretary of the board of directors for a period of ten years and available for inspection by the director at any time. The resolutions and minutes (records) shall be signed by members attending the meetings. The members attending the meeting have the right to have their speeches at the meeting descriptively recorded on the meeting minute. Where a member has any comments or dissidence to the minutes, he/she may refuse to sign it, but shall deliver the aforesaid opinion in writing to the secretary to the board of directors within the specified time stated above. If the minutes are proved to contain errors or omissions, the secretary to the board of directors shall revise the minutes, and members of the committee shall sign the revised minutes.

Minutes of meetings of the Nomination Committee shall be arranged to be prepared by the secretary to the board of directors and shall be provided to all members of the board of directors within a reasonable time after the meeting.

If reasonably notified by any director, the secretary to the board of directors shall make them available for inspection at any reasonable time.

**Article 23** Resolutions passed by and voting results of the meeting of the Nomination Committee shall be reported in written to the Company's board of directors.

**Article 24** The committee members present shall have the obligation of maintaining the confidentiality of the matters discussed at the meeting and shall not disclose any relevant information without authorization.

**Article 25** A summary of the work performed by the Nomination Committee during the year shall disclose the policy for the nomination of directors performed by the Nomination Committee during the year including nomination procedures and the process and criteria adopted by the Nomination Committee to select and recommend candidates for directorship during the year. This section should set out the board diversity policy or a summary of the same including any measurable objectives for the implementing such policy and the progress on achieving the objectives.

**Article 26** The Nomination Committee shall disclose its authorities and powers on the websites of The Stock Exchange of Hong Kong Limited and of the Company, explaining its role and the power delegated to it by the board of directors.



## CHAPTER 6 BOARD DIVERSITY POLICY

**Article 27** When performing relevant duties, the Nomination Committee shall consider the diversity policy of the board of directors specified in these terms of reference. It shall be responsible for monitoring the implementation of the policy as well as reviewing and revising the policy to ensure its effectiveness.

**Article 28** In reviewing the size and composition of the board of directors, identifying and nominating candidates for directors, the Nomination Committee shall consider relevant factors to achieve the diversity of the board of directors members according to the business model and specific demands of the Company. The Nomination Committee considers diversity of the board of directors from various aspects, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge, length of service, etc. After considering the aforesaid relevant factors, the Nomination Committee shall make a final recommendation on the appointment to the board of directors based on the merits of the candidates and contribution they may bring to the board of directors.

## CHAPTER 7 SUPPLEMENTARY PROVISIONS

**Article 29** These terms of reference shall become effective and will be enforced from the date on which they were considered and approved by the board of directors of the Company. From the effective date of these terms of reference, the existing Terms of Reference of Nomination Committee under the Board of Directors of Beijing SinoHytec Co., Ltd. shall lapse automatically.

**Article 30** Any matters not covered by these terms of reference shall be dealt with in accordance with the relevant provisions of the laws, regulations, the Hong Kong Listing Rules and the Articles. In the event that these terms of reference are in contravention with the laws, regulations, the Hong Kong Listing Rules promulgated in the future and the Articles amended by legal procedures, relevant provisions of laws, regulations, the Hong Kong Listing Rules and the Articles shall prevail, and these terms of reference shall be amended forthwith and submitted to the board of directors of the Company for approval.

**Article 31** The interpretation of these terms of reference shall be vested in the board of directors of the Company.

*NOTE:* If there is any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.