信基沙溪集团股份有限公司
XINJI SHAXI GROUP CO., LTD

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3603)

Terms of Reference – Nomination Committee

1. CONSTITUTION

The board (the "**Board**") of directors (the "**Directors**") of Xinji Shaxi Group Co., Ltd (the "**Company**") has resolved the establishment of the nomination committee of the Company (the "**Committee**") on 3 October 2019 and has adopted the following terms as the terms of reference for the Committee.

2. MEMBERSHIP

2.1 Members of the Committee shall be appointed by the Board from amongst the Directors and shall comprise not less than three members, a majority of independent non-executive Directors and at least one Director of a different gender to the Committee.

2.2 The term of each Committee member shall be the same as his/her term as a Director. Subject to the constitution of the Company and the applicable laws and regulations, any member of the Committee may be re-appointed by the Board and continue to act as a member of the Committee upon the expiry of his/her term of appointment relating thereof.

2.3 A member of the Committee who ceases to be a member of the Board shall immediately and automatically cease to be a member of the Committee.

2.4 The chairman of the Committee (the "**Committee Chairman**") shall be appointed by the Board from time to time and shall be the chairman of the Board or an independent non-executive Director. Subject to the constitution of the Company and the applicable laws and regulations, in the absence of the Committee Chairman, his/her duly appointed alternate and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

3. COMMITTEE SECRETARY

The company secretary of the Company shall act as the secretary of the Committee (the "**Committee Secretary**"). The Committee may, from time to time, appoint any other person with the appropriate qualification and experience as the Committee Secretary. The Committee Secretary or in his/her absence, his/her representative or any one member of the Committee, shall be the secretary of the meeting.

4. FREQUENCY OF MEETINGS

4.1 Meetings shall be held as and when appropriate (including, but not limited to considering Board appointments and the performance of the Board), but at least once a year.

4.2 The Committee Chairman shall convene a meeting upon request by any member of the Committee.

5. CONDUCT OF MEETINGS

5.1 Unless specified by these terms of reference, meetings and proceedings of the Committee shall be governed by the Company's articles of association regulating the meetings and proceedings of the Board.

5.2 Unless otherwise waived by all members of the Committee, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee no later than 7 working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

5.3 The quorum of the Committee shall be two members of the Committee, one of whom must be an independent non-executive Director. Meetings could be held in person, by telephone or by video conference. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5.4 Resolutions of the Committee at any meetings shall be passed by a majority of votes of the members of the Committee present. Subject to compliance with the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the applicable laws and regulations, a resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

5.5 The Committee may invite any member of the senior management of the Company, any Director, external advisers or any other persons to attend all or part of any meetings as the Committee considers appropriate, notwithstanding that the aforementioned persons shall not have a right to vote at such meetings.

6. ANNUAL GENERAL MEETING

The Committee Chairman, or in his/her absence, another member of the Committee, or failing which his/her duly appointed alternate shall attend the annual general meetings of the Company and be available to answer questions thereat on the Committee's activities and its responsibilities.

7. AUTHORITY

7.1 The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

7.2 The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise at meetings of the Committee if it considers necessary.

7.3 Management of the Company is obliged to supply the Committee with adequate information in a timely manner, in order to enable it to make informed decisions. The information supplied must be complete and reliable. Where a member of the Committee requires more information than the information provided voluntarily by the management of the Company, the relevant member of the Committee should make additional necessary enquiries. Each member of the Committee shall have separate and independent access to the management of the Company.

7.4 The Company shall provide the Committee with sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

8. DUTIES

8.1 The duties of the Committee shall include, without limitation, the following:

8.1.1 to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, to assist the Board in maintaining a board skills matrix, and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy and promote shareholder value;

8.1.2 to identify individuals suitably qualified to become Directors and select or make recommendations to the Board on the selection of individuals nominated for directorships;

8.1.3 to make recommendations to the Board on:

a) the appointment or re-appointment of the Directors and succession planning for Directors, in particular the chairman and chief executive of the Company;

b) any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an executive Director as an employee of the company subject to the provisions of the law and their service contract;

c) the appointment of any Director to executive or other office, other than to the positions of chairman and chief executive, the recommendation for which would be considered at a meeting of the full board;

d) any area it deems appropriate within its scope of duties where action or improvement is needed;

8.1.4 to implement and review the Board diversity policy of the Company (the "**Board Diversity Policy**"), as appropriate, recommend any revisions of the policy to the Board; review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; disclose the Board Diversity Policy and make disclosure of its review results in the annual report of the Company;

8.1.5 to consider factors below when it makes recommendation for appointment and reappointment, inter alia:

a) mix of Board members that promotes diversity of background and experience on the Board;

b) competency;

c) gender, age, cultural, education background and professional experience of potential/existing Directors;

d) independence of potential/existing Board member(s);

e) business, technical, or specialised skills and experience of member(s)/ potential member(s);

f) ability, time, commitment and willingness of a new member to serve and an existing member to continue service;

g) specific value a member/potential member can add to the Board;

8.1.6 to assess the independence of independent non-executive Directors, having regards to the requirements under the Listing Rules;

8.1.7 Where the Board proposes a resolution to elect any individual as an independent non-executive Director of the Company at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:

8.1.7.1 the process used for identifying the individual and why they believe the individual should be elected and the reasons why they consider the individual to be independent;

8.1.7.2 if the proposed independent non-executive Director of the Company will be holding their seventh (or more) directorship of an issuer listed on the Main Board or GEM, why they believe the individual would still be able to devote sufficient time to the Board;

8.1.7.3 the perspectives, skills and experience that the individual can bring to the Board; and

8.1.7.4 how the individual contributes to the diversity of the Board;

8.1.8 to support the Company's regular evaluation of the Board's performance;

8.1.9 to ensure that no Director or any of his/her associates is involved in approving his/her or any of his/her associates' nomination; and

8.1.10 at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

9. REPORTING PROCEDURES

9.1 Full minutes of the Committee's meetings should be recorded and kept by the Committee Secretary and shall be available for inspection at any reasonable time on prior reasonable notice by any Director.

9.2 Draft and final versions of minutes should be sent to all members of the Committee for their comments and records respectively, within a reasonable time after such meetings.

9.3 The Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless prohibited by applicable laws and regulations.

10. TERMS AVAILABLE

The Committee shall make available these terms of reference, explaining its role and the authority delegated to it by the Board, on request and by including them on The Stock Exchange of Hong Kong Limited's website and the Company's website.