

# 讯众股份

**Beijing Xunzhong Communication Technology Co., Ltd.**

**北京讯众通信技术股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2597)**

## **Nomination Committee Terms of Reference**

### **Chapter 1 General Provisions**

**Article 1** In order to regulate the election of Directors and members of the senior management of Beijing Xunzhong Communication Technology Co., Ltd. (hereinafter referred to as the “Company”), optimize the composition of the Board of Directors (the “Board”) and improve the corporate governance structure, the Company has formulated the Rules of Procedure of the Nomination Committee of the Board of Directors of the Company (hereinafter referred to as the “Rules”) in accordance with the Company Law of the People's Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules”), Appendix C1 to the Listing Rules (hereinafter referred to as the “Corporate Governance Code”), the regulatory rules of the securities regulatory authorities and stock exchange at the place where the Company's shares are listed, such as The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Stock Exchange”) and the relevant provisions of the Articles of Association of the Company (hereinafter referred to as the “Articles of Association”), and in light of the actual situation of the Company.

**Article 2** The Nomination Committee is a special working body set up under the Board. It is mainly responsible for formulating the selection standards and procedures for Directors and members of the senior management of the Company, selecting and reviewing the candidates for Directors and members of the senior management and their qualifications, and making recommendations to the Board.

**Article 3** Directors mentioned herein refer to all Directors (including independent non-executive Directors) elected by the shareholders' meeting; members of the senior management refer to the general manager, deputy general managers, secretary of the Board and financial controller (chief financial officer) appointed by the Board, and other members of the senior management as stipulated in the laws and regulations, the securities regulatory rules at the place where the Company's shares are listed and the Articles of Association.

### **Chapter 2 Composition**

**Article 4** The Nomination Committee shall consist of three Directors, of which at least two are independent non-executive Directors.

**Article 5** Members of the Nomination Committee (hereinafter referred to as the “Member(s)”) shall be nominated by the chairman of the Board, or at least one-third of all Directors or at least one-half of the independent non-executive Directors, and shall be elected by a majority vote of the members of the Board. After the proposal for electing the Members has been approved, the new Members shall take office immediately after the conclusion of the meeting of the Board.

**Article 6** The Nomination Committee shall have one convener (i.e. the chairman of the Nomination Committee), who shall be acted by the chairman of the Board or an independent non-executive Director Member, and shall be responsible for presiding over the work of the Nomination Committee. The chairman of the Nomination Committee shall be elected or dismissed among the Nomination Committee and be reported to the Board for approval.

**Article 7** The term of office of a Member shall be the same as that of the Board for the same session. A Member may serve consecutive terms if re-elected upon expiry of his/her term. During his/her term of office, if any Member ceases to be a Director of the Company or any Member who shall be an independent non-executive Director no longer possesses the independence as prescribed in the Company Law, the Articles of Association, the Measures for the Administration of Independent Directors of Listed Companies and the Listing Rules, his/her membership in the Nomination Committee shall lapse automatically.

### **Chapter 3 Duties and Authorities**

**Article 8** The Nomination Committee shall be responsible for formulating the selection standards and procedures for Directors and members of the senior management, selecting and reviewing the candidates for Directors and members of the senior management and their qualifications, and making recommendations to the Board on the following matters:

- (1) to study the selection standards and procedures of Directors and members of the senior management and make recommendations to the Board;
- (2) to make recommendations to the Board regarding the nomination, appointment or dismissal of Directors, and the examination on the candidates for Directors;
- (3) to make recommendations to the Board regarding the appointment or dismissal of members of the senior management, and the examination on the candidates for members of the senior management of the Company;
- (4) to review the independence of the independent non-executive Directors;
- (5) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assist the Board to prepare the Board skill matrix and make recommendations on any proposed changes to the Board for supporting the Company's corporate strategies;
- (6) to make recommendations to the Board regarding the composition of special committees under the Board and candidates for the relevant committee members in accordance with the operations, size of assets and structure of shareholdings of the Company;
- (7) to conduct an extensive search of qualified candidates for the Directors and members of the senior management, and to make recommendations to the Board regarding the selection and nomination of such individuals to serve as Directors and members of the senior management;
- (8) to evaluate the working performance of Directors and make advice or recommendations regarding the replacement, re-appointment or succession of Directors (including the chairman and chief executive officer, if any) based on the evaluation results;

- (9) to assist the Company in conducting regular assessments of the Board's performance;
- (10) to formulate and (as appropriate) review and implement the Board Diversity Policy as adopted by the Board from time to time, and make disclosure of the relevant policy or its summary in the corporate governance report of the Company;
- (11) other matters authorized by the Board;
- (12) other matters required by the laws, administrative regulations, the Listing Rules, the provisions of the China Securities Regulatory Commission (the "CSRC"), the relevant regulatory rules of the securities regulatory authorities and stock exchange at the place where the Company's shares are listed, and the provisions of the Articles of Association.

If the Board 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 its non-adoption in the resolutions of the Board and make relevant disclosure.

**Article 9** The Nomination Committee shall be accountable to the Board, and resolutions involving the scope of duties of the Nomination Committee shall be considered and approved by the Nomination Committee before being submitted to the Board for consideration.

**Article 10** Where the Board intends to propose a resolution to elect an individual as an independent non-executive Director at the general meeting, the following shall be set out in the circular to shareholders and/or explanatory statement attached to the notice of the relevant general meeting:

- (1) the process used for identifying the individual and the reasons why the Board believes the individual should be elected and the reasons why it believes the individual to be independent;
- (2) if the proposed independent non-executive Director will be holding his/her seventh (or more) listed company directorship, the reasons why the Board believes the individual would still be able to devote sufficient time to the Board;
- (3) the views, perspectives, skills and experience that the individual can bring to the Board; and
- (4) how the individual contributes to the diversity of the Board.

**Article 11** The Company shall appoint at least one director of a different gender to the Committee.

**Article 12** The rights and obligations of the Members are as below:

- (1) to attend the meetings of the Nomination Committee as scheduled, express opinions on matters discussed at the meetings, and exercise voting rights;
- (2) to propose topics for discussion at the meetings of the Nomination Committee;

- (3) to attend or sit in the relevant meetings of the Company as audiences and conduct investigative studies and obtain the required relevant information, such as reports, documents and materials, for the purpose of performing their duties;
- (4) to fully understand the duties and responsibilities of the Nomination Committee and their own duties as Members, and familiarize themselves with the operation and management conditions, business activities and development status of the Company relating to their duties, to ensure their capabilities in performing their duties;
- (5) to commit to dedicate sufficient working time and efforts required to perform his/her duties;
- (6) to perform other duties as required or conferred by the laws, administrative regulations, the Listing Rules, the provisions of the CSRC, the relevant regulatory rules of the securities regulatory authorities and stock exchange at the place where the Company's shares are listed, the Rules and the Board.

## **Chapter 4 Decision-making Procedures**

**Article 13** The procedures of selecting Directors and members of the senior management are:

- (1) the Nomination Committee shall actively communicate with relevant departments of the Company and study the demand for new Directors and members of the senior management and present such information in writing;
- (2) the Nomination Committee may conduct an extensive search of candidates for Directors and members of the senior management inside the Company, its holding (invested) companies, branches and the human resources market;
- (3) the Nomination Committee shall gather information as to the occupation, academic qualifications, professional title, detailed work experience and all the concurrent posts of the preliminary candidates and present such information in writing;
- (4) the Nomination Committee shall solicit the nominee's consent to the nomination, without which the nominee cannot be selected as a candidate of Director or senior management;
- (5) the Nomination Committee shall convene a Nomination Committee meeting to review the qualifications of the preliminary candidates in accordance with the requirements for Directors and members of the senior management;
- (6) the Nomination Committee shall make recommendations to the Board regarding the candidates for the Director and new members of the senior management and submit relevant information to the Board one to two months prior to the election of new Directors and appointment of new members of the senior management;
- (7) the Nomination Committee shall carry out other follow-up work according to the decision of and feedback from the Board.

## **Chapter 5 Rules of Procedure**

**Article 14** The Nomination Committee shall convene meetings from time to time as required. In the event of any of the following circumstances, a committee meeting shall be convened:

- (1) when the Board considers it necessary;
- (2) when the chairman of the Nomination Committee considers it necessary;
- (3) when it is proposed by two or more Members.

**Article 15** The notice of the meeting and meeting materials shall be notified to all Members in writing three days prior to the date of the meeting. The notice of the meeting shall contain information on the form, time, venue, duration and agenda of the meeting, time of issuance of the notice and other relevant information, and the notification shall be made by hand delivery, post, e-mail or facsimile, etc. In case of emergency, if it is necessary to convene a meeting as soon as possible, notice of the meeting may be given by telephone or other verbal means at any time, but the chairman of the Nomination Committee shall give an explanation at the meeting.

**Article 16** Upon receipt of the notice of the meeting, each Member shall provide confirmation and any relevant replies via proper means (including but not limited to confirmation of attendance or absence and his/her schedule) in a timely manner.

**Article 17** Members shall attend the meeting in person. If a Member is unable to attend the meeting in person for any reason, he/she may appoint another Member in writing to attend the meeting on his/her behalf. If a Member fails to attend the meeting of the Nomination Committee in person or by proxy, he/she shall be deemed as having abstained from voting at such meeting.

**Article 18** The Nomination Committee meeting shall be presided over by the chairman of the Nomination Committee. If the chairman of the Nomination Committee is unable to preside over the meeting, the meeting shall be presided over by another Member who is an independent non-executive Director delegated by him/her; or a Member shall be elected by more than half of the attending Members to preside over the meeting.

**Article 19** The quorum of the Nomination Committee meeting shall be two-thirds or above of the Members. Each Member is entitled to one vote. Resolutions passed at such meeting should be approved by more than half of all Members.

**Article 20** Voting on the Nomination Committee meetings may be conducted by open ballot. Voting may also be conducted by means of correspondence and resolutions may be made with Members present affixing their signatures thereon, provided that the attending Members can fully express their opinions.

**Article 21** The Nomination Committee meeting may be convened by on-site meeting, telephone conference, video conference, circulation of documents, facsimile, mail or any other appropriate means.

**Article 22** The Nomination Committee may invite the Directors, supervisors, members of the senior management and external consultants of the Company to the meeting when necessary. Those present at the meeting may explain or clarify the matters discussed at the meeting, and non-Members have no right to vote.

**Article 23** If necessary, the Nomination Committee may engage an intermediary to give professional advice on its decision-making at the Company's expense.

**Article 24** When a Member has a direct or indirect interest in a topic under discussion at a meeting, the Member shall recuse himself/herself from voting.

**Article 25** The convening procedures for, the voting methods of, and the resolutions passed at the Nomination Committee meetings shall comply with relevant laws, administrative regulations, departmental rules, regulatory documents, the securities regulatory rules at the place where the Company's shares are listed, the Articles of Association and the Rules.

**Article 26** The Nomination Committee shall keep minutes of its meetings, and the Members attending the meetings and the minutes taker shall endorse such minutes by signature; and the minutes of the meetings shall be kept by the secretary of the Board for the record for a period of no less than 10 years.

**Article 27** The resolutions adopted at the meeting of the Nomination Committee and the voting results thereof shall be submitted to the Board in writing.

**Article 28** Members attending the meeting and other attendees shall be obliged to keep confidential any of the matters discussed at the meeting, and shall not disclose any relevant information without authorization.

## **Chapter 6 Supplementary Provisions**

**Article 29** Any matters not covered herein shall be handled in accordance with the laws, administrative regulations, departmental rules, regulatory documents, the Listing Rules, the relevant regulatory rules of the securities regulatory authorities and stock exchange at the place where the Company's shares are listed, and the provisions of the Articles of Association in light of the actual situation of the Company. If the Rules are in conflict with the laws, administrative regulations, departmental rules, regulatory documents, the Listing Rules, the relevant regulatory rules of the securities regulatory authorities and stock exchange at the place where the Company's shares are listed, and the provisions of the Articles of Association promulgated from time to time, such laws, administrative regulations, departmental rules, regulatory documents, Listing Rules, relevant regulatory rules of the securities regulatory authorities and stock exchange at the place where the Company's shares are listed, and provisions of the Articles of Association shall prevail.

**Article 30** The terms "above", "within" or "below", as stated herein shall all include the given figure; and the terms "less than", "beyond", "lower than", "more than", and "exceed" shall all exclude the given figure.

**Article 31** The Board shall be responsible for the interpretation of the Rules.