# PATEO CONNECT Technology (Shanghai) Corporation

## Terms of Reference and Rules of Procedure of the Nomination Committee

### 1. Members

1.1 The nomination committee (the "**Nomination Committee**") shall be appointed by the board of directors (the "**Board**") of the Company, and a majority of members of the Nomination Committee shall be independent non-executive directors. The Nomination Committee shall appoint at least one director of a different gender.

1.2 The chairman of the Nomination Committee shall be appointed by the Board, and shall be the chairman of the Board or an independent non-executive director within the Nomination Committee.

1.3 The Nomination Committee shall have a term of office consistent with the term of the Board, and members may be re-elected upon expiration of their terms of office. Where a member ceases to serve as a director of the Company during the term, he/she will automatically cease to be qualified as a member of the committee, and the casual vacancy shall be filled by the person elected by the committee in accordance with these Rules.

### 2. Secretary

2.1 The company secretary (the "**Company Secretary**") of the Company shall act as the secretary to the Nomination Committee.

2.2 The Nomination Committee may, from time to time, appoint any other person with appropriate qualification and experience to act as the secretary to the Nomination Committee.

### 3. Meeting

3.1 The members of the Nomination Committee can call for a meeting anytime when it is necessary.

3.2 Due notice should be given for any meeting, unless such notification is waived by all members of the Nomination Committee. Notwithstanding the notification period, the attendance of members of the Nomination Committee at the meeting would be deemed as the waiver of the required notification period.

3.3 The quorum necessary for convening the meeting of the Nomination Committee shall be two members of the Nomination Committee, one of whom must be an independent non-executive director.

3.4 Meetings can be attended in person, by telephone or video conference. The members of the Nomination Committee can attend the meeting via telephone or similar communication device (all persons attending such meeting shall be able to hear from such member via such communication device).

3.5 Voting on resolutions of the Nomination Committee shall be conducted on a one-member-one-vote basis. Resolutions of the Nomination Committee shall be passed by a majority of its members.

3.6 The resolution signed in writing by all members of the Nomination Committee is valid, and the validity is the same as if it is passed in the meeting duly convened and held by the Nomination Committee.

## 4. Meeting Attendance

4.1 Upon the invitation from the Nomination Committee, the chairman of the Board and/or the managing director or the chief executive officer, external advisor and other persons can be invited to attend all or part of any meeting.

4.2 Only the members of the Nomination Committee can vote in the meeting.

## 5. Annual General Meeting

5.1 The chairman of the Nomination Committee or (if absent) the other member of the Nomination Committee (must be an independent non-executive director) shall attend the annual general meeting of the Company, and respond the shareholders' enquiry on the activities and responsibilities related to the Nomination Committee.

## 6. Duties and Powers

The Nomination Committee shall have the following duties and powers:

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

6.2 to identify individuals suitably qualified to become directors and select or make recommendations to the Board on the selection of individuals from relevant departments nominated for directorships;

6.3 to identify candidates qualified to become senior management, review and make recommendations on candidates for senior management of the Company;

6.4 to assess the independence of independent non-executive directors;

6.5 to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors (in particular the chairman and the chief executive officer);

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

6.7 to review the policy on Board diversity (the "**Board Diversity Policy**") and any measurable objectives for implementing such Board Diversity Policy as may be adopted by the Board from time to time and to review the progress on achieving the objectives; and to make disclosures of its review results in the annual report of the Company annually; and

6.8 Where the Board proposes a resolution to elect an individual as an independent non-executive director at the shareholders' meeting, it shall set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant shareholders' meeting:

(i) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;

(ii) if the proposed independent non-executive director will be holding its seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;

(iii) the perspectives, skills and experience that the individual can bring to the Board;

(iv) how the individual contributes to the diversity of the Board.

6.9 to assume duties and authorities prescribed by laws, administrative regulations, departmental rules, regulatory documents, the listing rules of the stock exchange where the shares of the Company are listed, the Articles of Association, and other matters authorized by the Board.

## 7. Reporting and Records

7.1 The Nomination Committee shall report to the Board after each of its meetings.

7.2 Minutes of the Nomination Committee shall be kept and be signed by the members present at the meeting. Members present at such meetings are entitled to require his/her speech at meetings to be explicitly recorded in minutes. Full minutes of the Nomination Committee meeting shall be kept by the Company Secretary or the duly appointed secretary of the meeting and be available for review by the directors. The resolutions passed at the meetings of the Nomination Committee and the voting results shall be reported to the Board in writing. Minutes shall be open for inspection at any reasonable time on reasonable notice by any director.

## 8. Authority

8.1 The Nomination Committee is authorized by the Board to request the employees of the Company to provide any necessary data within the scope of its duties.

8.2 The Nomination Committee should have access to independent professional advice if necessary, at the Company's expense, to perform the responsibilities of the Nomination Committee (Note: the independent professional advice can be sought via the chief financial officer or the Company Secretary).

8.3 The Company shall provide the Nomination Committee with sufficient resources to perform its duties.

## 9. Supplementary Provisions

9.1 Any matter not specified in these Terms of Reference and Rules of Procedure shall be implemented in accordance with relevant national laws, regulations and regulatory documents, the Hong Kong Listing Rules and the Articles of Association. In case these Rules of Procedure are in conflict with the laws, regulations and regulatory documents, the Hong Kong Listing Rules, other requirements of the Hong Kong securities regulatory authority or the Articles of Association, such relevant laws, regulations and regulatory documents, the Hong Kong Listing Rules, other requirements of the Hong Kong securities regulatory authority or the Articles of Association shall prevail.

9.2 These Terms of Reference and Rules of Procedure shall be formulated and interpreted by the Board of the Company.

9.3 These Rules of Procedure shall take effect upon consideration and approval by the Board.