

Nanhua Futures Co., Ltd.

Rules of Procedures of the Nomination Committee of the Board of Directors

Chapter 1 General Provisions

Article 1 To standardize the appointment of directors and senior management of Nanhua Futures Co., Ltd. (the “Company”), the nomination committee has been established and these rules of procedures have been formulated by the board of directors of the Company in accordance with the Company Law of the PRC, the Administrative Measures for Independent directors of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association of Nanhua Futures Co., Ltd. (the “Articles of Association”) and other applicable regulations.

Article 2 The nomination committee of the board of directors is a specialized organization under the board of directors, primarily responsible for formulating the selection criteria and procedures for directors and senior management, selecting and reviewing candidates for directors and senior management and their qualifications.

Article 3 The provisions of the Company Law, the Administrative Measures for Independent Directors of Listed Companies, the securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association concerning the appointment management and conduct standards for directors shall apply to members of the nomination committee.

Chapter 2 Personnel Composition

Article 4 The nomination committee shall consist of three directors, the majority of whom are independent directors, including at least one director of a different gender, with an independent director serving as the convener.

Article 5 The members of the nomination committee shall be nominated by the chairperson of the board of directors, more than half of the independent directors or more than one third of the directors, and are subject to election by the board of directors.

Article 6 The nomination committee shall have one convener, who shall be an independent director elected to the committee and shall be responsible for chairing the committee’s work.

Article 7 The term of the members of the nomination committee shall be the same as the term of directors of the board of directors. A member may serve consecutive term if re-elected upon the expiry of his/her term of office. Prior to the expiration of his/her term of office, a member of the nomination committee may be removed from his/her roles by the Company in accordance with statutory procedures. During such period, if any member ceases to hold office as a director of the Company, such member shall be automatically disqualified as a member of the nomination committee. During such period, if any member ceases to hold office as a director of the Company, such member shall be automatically disqualified as a member of the committee.

Article 8 Where the number of members of the nomination committee is reduced due to the resignation or removal of members or other reasons, the board of directors of the Company shall promptly appoint new members for the committee.

Article 9 The office of the board of directors of the Company is mainly responsible for the day-to-day liaison and organization of meetings of the nomination committee.

Chapter 3 Duties and powers

Article 10 The primary duties and authorities of the nomination committee are:

- (I) to formulate the criteria (including skills, knowledge, diversity policy and experience, etc.) and procedures for the selection of directors and senior management, assist the board of directors in preparing a skills matrix of the board of directors, review the structure, size and composition of the board of directors at least once a year, and make recommendations on any proposed changes to the board of directors to align with the Company's strategy;
- (II) to extensively identify qualified candidates for directors and senior management, nominate relevant persons to serve as directors, review the candidates for directors and the general manager, and make recommendations to the board of directors on the appointment or re-appointment of the directors and the succession plan for directors, particularly the chairperson of the board of directors and the general manager;
- (III) to review candidates for other senior management nominated by the general manager;
- (IV) to assess the independence of the independent directors when appointing them and review their independence periodically;
- (V) to support the Company's regular evaluation of the performance of the board of directors;
- (VI) the laws, regulations, relevant requirements of the China Securities Regulatory Commission (the "CSRC") and the stock exchange where the Company's shares are listed, and other powers delegated by the board of directors.

Article 11 The nomination committee of the board of directors shall make recommendations to the board of directors on the following matters:

- (I) nomination or appointment or removal of directors;
- (II) appointment or dismissal of senior management;
- (III) other matters specified by laws and regulations, relevant provisions of the CSRC and stock exchanges where the Company's shares are listed, and other matters as stipulated in Articles of Association.

When the board of directors does not adopt or does not fully adopt the recommendations of the nomination committee, it shall record the opinions of the nomination committee and the specific reasons for non-adoption in the board of directors resolution and make relevant disclosure.

Article 12 The nomination committee shall evaluate the qualifications of the directors and senior management of the Company; if any individual is found to be unqualified, it shall promptly put forward a recommendation for removal to the board of directors.

Article 13 The nomination committee shall review the qualifications of the nominees and formulate clear review opinions.

Article 14 The nomination committee is accountable to the board of directors, and the resolutions and proposals formed by the committee shall be submitted to the board of directors for review and decision. Shareholders of the Company shall give due respect to the recommendations of the nomination committee without sufficient reason or reliable evidence.

Chapter 4 Convening and Notices of Meetings

Article 15 The nomination committee convenes meetings as needed. The meetings are convened and chaired by the convener. Should the convener be unable or incapable of performing his/her duties, a member of the nomination committee jointly nominated by a majority of its members shall preside. In urgent circumstances where the convening of a meeting is required as soon as possible, notice may be given at any time by telephone or other verbal means.

Article 16 A meeting of the nomination committee shall not be held unless attended by more than two thirds of its members.

Article 17 The meetings of the nomination committee shall be convened on site in principle. Provided that all participating directors can fully communicate and express their opinions, such meetings can be held by means of video, telephone or other methods when necessary.

Article 18 Notice of a meeting of the nomination committee shall be given three days prior to the meeting.

Chapter 5 Consideration and Voting Procedures

Article 19 The nomination committee shall study the election criteria, selection procedures and term of office of the Company's directors and senior management and make resolutions in accordance with the requirements of relevant laws and regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, combining with the Company's actual conditions. Any resolution made in this regard shall be submitted to the board of directors for approval and shall be implemented accordingly.

Article 20 If a member of the nomination committee authorizes another member to attend the meeting and exercise his/her voting rights on his/her behalf, he/she shall submit a power of attorney to the chairperson of the meeting no later than the time when voting shall take place at the meeting.

Article 21 A resolution made by the nomination committee shall be approved by more than half of the members of the nomination committee.

Each member of the nomination committee shall have one vote for a resolution to be approved by the nomination committee.

Article 22 The nomination committee may, if deemed necessary, request other personnel related to proposals of the meeting to attend the meeting, make presentations or express opinions, provided that a participant other than members of the nomination committee shall have no right to vote on the proposals.

Article 23 Members attending the meeting shall deliberate on the proposals and fully express their individual opinions in a serious and responsible manner; the members shall be responsible for their own votes.

Article 24 Voting at the nomination committee meeting shall be undertaken by a show of hands or by poll.

Article 25 Resolutions and voting results adopted at meetings of the nomination committee shall be submitted to the board of directors of the Company in writing.

Article 26 Meetings of the nomination committee shall be recorded in writing and shall be signed by the members present and by the person taking the minutes. The members attending the meeting are entitled to request that an explanation on his/her comments made at the meeting be recorded in the minutes.

The minutes of meetings of the nomination committee shall be maintained by the office of the board of directors as part of the Company's archives. During the Company's existence, the retention period shall be ten years.

Article 27 Members of the nomination committee shall maintain confidentiality of any Company-related information they become aware of before the same are made public.

Chapter 6 Supplementary Provisions

Article 28 Matters not covered in these rules of procedures shall comply with relevant laws, administrative regulations, departmental regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Should these rules of procedures contravene the laws, administrative regulations, departmental regulations as subsequently promulgated by the State, or securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association as amended, the national laws, administrative regulations, departmental regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association shall prevail.

Article 29 The term "more than" as used in these rules of procedures shall include the number itself.

Article 30 The board of directors shall have the right to interpret these rules of procedures.

Article 31 These rules of procedures shall come into effect upon consideration and approval by the board of directors.