Shenzhen HQVT Technology Co., Ltd.
深圳海清智元科技股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 1392)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

Chapter I General Provisions

Article 1 In order to standardize the selection of the leadership of Shenzhen HQVT Technology Co., Ltd. (hereinafter referred to as the "**Company**"), optimise the composition of the board of directors, and improve the corporate governance structure, the Company formulated these terms of reference in accordance with the Company Law of the People's Republic of China (中華人民共和國公司法) (hereinafter referred to as the "**Company Law**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Hong Kong Listing Rules**") and other laws, regulations and normative documents, and the operating rules of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Stock Exchange**") and relevant provisions of the Articles of Association of Shenzhen HQVT Technology Co., Ltd. (hereinafter referred to as the "**Articles of Association**") with reference to the actual circumstances of the Company.

Article 2 The Nomination Committee and its members shall comply with the provisions of laws, regulations, normative documents, the Hong Kong Listing Rules, the Articles of Association and these terms of reference in good faith and sincerity.

Chapter II Composition of the Nomination Committee

Article 3 The Nomination Committee is accountable to the board of directors. All of its members shall be directors. The convener, or the chairman, of the Nomination Committee shall be the chairman of the board of directors or an independent non-executive director, and the majority of the members of the Nomination Committee shall also be independent non-executive directors.

Article 4 The terms of office of members of the Nomination Committee shall be consistent with those of directors, and the members may be re-elected upon the expiration of the terms. If any member ceases to serve as a director of the Company during the term, he/she shall cease to be a committee member

automatically, and the vacancy in the committee shall be filled within three months by the board of directors in accordance with the provisions of these terms of reference.

Chapter III Duties of the Nomination Committee

Article 5 The main duties of the Nomination Committee are as follows:

(I) to review at least annually the structure, size, composition and diversity of the board of directors, identify suitable candidates in accordance with its diversity policy (including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service), and make recommendations on any proposed changes to the board of directors to complement the Company's corporate strategy based on the business operations, asset size and the shareholding structure of the Company;

(II) to identify individuals qualified and eligible to be elected as directors and select or make recommendations to the board of directors on the selection of individuals nominated for directorships; in identifying suitable candidates, the Nomination Committee shall take into full consideration whether the knowledge structure and experience of the board of directors members complement each other, and the balance and independence of the composition of the board of directors, and shall choose from a wide range of candidates based on objective criteria, taking into account the benefits of the diversity of the members of the board of directors and its diversity policy, and in light of the Group's business needs, so that members of the board of directors possess proper ability, experience and diversified perspectives and viewpoints to support the Company in realizing strategic objectives, maintaining competitive strengths and achieving sustainable development;

(III) to assess the independence of independent non-executive directors;

(IV) to make recommendations to the board of directors on the appointment or re-appointment of directors and succession planning for directors;

(V) to discuss the criteria and procedure for the election of directors and senior management members and make recommendations thereon to the Board;

(VI) to extensively search for qualified candidates for directors and senior management members;

(VII) to conduct preliminary review on the candidates for directors and senior management members, and make recommendations in respect thereof;

(VIII) to review the qualifications of the nominees for appointment and form a clear opinion on the review;

(IX) to make recommendations to the board of directors on the re-appointment of non-executive directors (including independent non-executive directors) upon the expiry of their terms of office, and make recommendations on matters in relation to the election or re-election of directors by shareholders, and the continuation in office of any director at any time; where the board of directors decides to propose a resolution to elect an individual as an independent non-executive director at the general meeting, the Nomination Committee shall set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:

1. the process used for identifying such individual, the reasons why the board of directors considers that such individual should be appointed, and the reasons why they consider such individual to be independent;

2. if the proposed independent non-executive director will serve as a director of a seventh (or more) listed company, the reason why the board of directors considers such individual would still devote sufficient time to fulfil his/her duties as a director;

3. the perspectives, skills and experience that such individual can bring to the board of directors; and

4. how such individual contributes to diversity of the board of directors.

and

(X) to ensure a formal letter of appointment be delivered to a director upon his appointment to the board of directors, which clearly sets out the principal terms and conditions of the appointment;

(XI) such other matters as authorized by the board of directors, as set out in the Articles of Association from time to time or as required by laws from time to time.

Article 6 The Nomination Committee of the board of directors of the Company may make recommendations to the board of directors on the following matters:

(I) nomination, appointment or dismissal of directors;

(II) appointment or dismissal of senior management members;

(III) other matters required by laws, administrative regulations, regulations of the China Securities Regulatory Commission, the Securities and Futures Commission of Hong Kong, the Hong Kong Listing Rules and the Articles of Association.

If 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 not adopting them in the board resolutions for disclosure.

Article 7 The Nomination Committee may, if necessary, engage an intermediary to provide professional advice on its decision-making, and the reasonable cost incurred shall be borne by the Company.

Article 8 The Nomination Committee is accountable to the board of directors. The resolutions falling within the terms of reference of the Nomination Committee shall first be considered and approved by the Nomination Committee and a relevant work report shall be formed before being submitted by the Nomination Committee to the board of directors for consideration.

Article 9 The primary duties of the chairman of the Nomination Committee are as follows:

(I) to convene and preside over regular meetings of the Nomination Committee;

(II) to convene extraordinary meetings of the Nomination Committee under exceptional circumstances;

(III) to supervise and review the implementation of resolutions of the Nomination Committee;

(IV) to formulate the Company's corporate governance policies and practices, reviewing the implementation of these policies and practices and making recommendations to the Board;

(V) to review and monitor the training and continuous professional development plans of the directors and senior management members;

(VI) to review and monitor the implementation of the Company's policies and practices regarding compliance with laws and regulatory rules;

(VII) to formulate, review and monitor the code of conduct and compliance manual (if any) applicable to the employees and directors;

(VIII) to review the Company's compliance with the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules, together with the information disclosure in the Corporate Governance Report;

(IX) to upload these terms of reference to the websites of the Stock Exchange and the Company to explain its duties and powers delegated by the Board;

(X) other duties as delegated by the board of directors and the Nomination Committee.

Article 10 When the chairman of the Nomination Committee is unable to perform his/her duties for any reason, he/she shall delegate another member to act on his/her behalf.

Chapter IV Power

Article 11 The Nomination Committee has the right to seek adequate administrative support from the senior management members of the Group and has an independent channel of access to senior management members of the Group.

Article 12 The senior management members shall duly provide the Nomination Committee with sufficient and appropriate information required for fulfilment of its duties. The Nomination Committee has the right to request any senior management members of the Group to promptly respond to queries raised by any member of the Committee as comprehensive as possible.

Article 13 If the independent non-executive director has served for more than 9 years, whether or not he/she will be reelected shall be approved by shareholders through an independent resolution upon consideration. The documents attached to the resolution sent to shareholders shall specify why the board of directors (or the Nomination Committee) considers such person remains independent and should be re-elected, including the factors considered, the process by which the board of directors (or the Nomination Committee) reached such decision, and the content of its deliberations.

Article 14 Members of the Nomination Committee may, upon reasonable request, seek independent professional advice for their decision-making in appropriate circumstances, at the Group's expense. In the event of seeking professional advice from an external consultant, such consultant shall be appointed by the chairman of the Committee and its opinions shall be directly submitted to the chairman of the Committee (independent of the senior management members).

Chapter V Terms of Reference for the Nomination Committee

Article 15 The members of the Nomination Committee shall have the right to propose the convening of meetings, which shall be convened by the chairman within ten days upon receipt of the proposal and notify all members three days before the convening of the meeting. A meeting may also be convened at any time with unanimous consent by all members.

Article 16 Materials and notice of the meetings of the Committee shall be issued simultaneously. All members shall fully read the meeting materials prior to the meeting.

Article 17 The meetings of the Nomination Committee shall be presided over by the chairman. Where the chairman is unable to preside over the meeting, he/she may appoint another independent non-executive director member to preside over the meeting, or a member elected by more than half of all committee members present at the meeting to preside over the meeting.

Article 18 A meeting of the Nomination Committee may be held only if more than two thirds of the members are present. Each member has one vote. A resolution of the meeting must be passed by more than half of all members.

Article 19 The voting at the meetings of the Nomination Committee shall be carried out by show of hands or by poll. The meetings may also be convened by telecommunication means.

Article 20 The secretary of the board of directors shall attend the meetings of the Nomination Committee. Other directors and senior management members of the Company may be invited to attend the meetings when necessary.

Article 21 All members present at the meeting are obliged to keep all matters discussed at the meeting confidential, and shall not disclose the relevant information without authorization.

Article 22 Members shall attend meetings of the Nomination Committee in person. If a member is unable to attend for any reason, he/she may appoint another member in writing to attend on his/her behalf. Where a member has failed to attend or appoint a proxy to attend a meeting of the Nomination Committee, he/she shall be deemed to have waived his/her right to vote at such meeting.

Article 23 The convening procedures and voting methods of the meetings of the Nomination Committee as well as resolutions passed thereat must comply with the provisions of relevant laws and regulations, the Hong Kong Listing Rules, the Articles of Association and these terms of reference.

Article 24 The Nomination Committee shall keep complete minutes for its meetings. The meeting minutes of the Committee shall record in sufficient detail the matters considered and the decisions reached by the Nomination Committee, including all concerns raised or dissenting opinions expressed by the members. The minutes shall be signed by members present at the meetings and the recorder; the minutes shall be maintained by the secretary of the board of directors for a period of not less than ten years.

Article 25 The resolutions passed and the results of a poll taken at meetings of the Nomination Committee shall be reported in writing to the board of directors of the Company.

Article 26 The nomination of director candidates, after being considered by the board of directors, shall be submitted to the general meeting for consideration and adoption before implementation.

Chapter VI Supplementary Provisions

Article 27 The term "more than", "over" or "or more" mentioned in these terms of reference includes the original number.

Article 28 Unless otherwise specified, terms used in these terms of reference shall have the same meanings as those ascribed to them in the Company's Articles of Association (and its amendments) as applicable upon the completion of the Company's initial public offering and listing of H shares.

Article 29 Any matters not covered by these terms of reference shall be implemented in accordance with the relevant national laws, regulations, normative documents, the Articles of Association (and its amendments) as applicable upon the completion of the Company's initial public offering and listing of H shares and the rules of the securities regulatory authorities of the place where the Company's shares are listed. Where these terms of reference are inconsistent with the relevant laws, regulations, normative documents, the Articles of Association (and its amendments) as applicable upon the completion of the Company's initial public offering and listing of H shares and the rules of the securities regulatory authorities of the place where the Company's shares are listed, the relevant laws, regulations, normative documents, the Articles of Association (and its amendments) as applicable upon the completion of the Company's initial public offering and listing of H shares and the rules of the securities regulatory authorities of the place where the Company's shares are listed shall prevail. If these terms of reference contravene any laws, regulations, normative documents, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association (and its amendments) as applicable upon the completion of the Company's initial public offering and listing of H shares issued by the state in the future, such national laws, regulations, normative documents, the Articles of Association (and its amendments) as applicable upon the completion of the Company's initial public offering and listing of H shares and the securities regulatory rules of the place where the Company's shares are listed shall prevail, and these terms of reference shall be promptly amended and reported to the board of directors for consideration and approval.

Article 30 These terms of reference shall take effect from the date of approval by the board of directors. Following such approval by the board of directors, these terms of reference specifically apply to the listed Company, the Hong Kong Listing Rules or the securities regulatory rules of the place where the Company's shares are listed shall remain temporarily ineffective prior to the listing and trading of the Company's publicly issued H shares on the Main Board of the Hong Kong Stock Exchange, and shall take effect and come into force from the date on which the Company's publicly issued H shares are listed and traded on the Main Board of the Hong Kong Stock Exchange.

Article 31 The amendments to these terms of reference shall be proposed by the Nomination Committee in the form of a draft amendment and submitted to the board of directors for consideration and approval.

Article 32 These terms of reference shall be interpreted by the board of directors of the Company.

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