



NEXCHIP SEMICONDUCTOR CORPORATION
合肥晶合集成电路股份有限公司

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

(Applicable upon the issuance and listing of H Shares)

Chapter 1 General Provisions

Article 1 To regulate the appointment of Directors and senior management, optimize the composition of the Board of Directors and improve the corporate governance structure, the Company specially established the Nomination Committee under the Board of Directors (hereinafter referred to as the “Committee”) as a special body responsible for selecting Directors, general managers, joint general managers and other senior management of the Company.

Article 2 To ensure the regulated and efficient operation of the Committee, the Board of Directors of the Company has formulated these terms of reference in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), Appendix C1 to the Hong Kong Listing Rules (hereinafter referred to as the “Corporate Governance Code”), the Articles of Association and other relevant requirements.

Chapter 2 Composition

Article 3 The Committee shall comprise a minimum of three Directors with a majority of independent Directors, and at least one member of which is a Director of a different gender.

Article 4 The Committee shall have one convener, who shall be an independent Director or the chairman of the Board of Directors and responsible for presiding over the work of the Committee.

Article 5 The convener and members of the Committee shall be nominated by more than half of the independent Directors or more than one-third of all Directors, and shall be elected by the Board of Directors of the Company.

Article 6 Members of the Nomination Committee must meet the following conditions:

- (I) not subject to any prohibitive circumstances under the Company Law, the Articles of Association or the securities regulatory rules of the place where the Company's Shares are listed (including but not limited to the Hong Kong Listing Rules and other requirements of the Hong Kong securities regulatory authority, same below) that would disqualify them from serving as Directors and senior management of the Company;
- (II) have not been publicly reprimanded or declared an unsuitable candidate by the Shanghai Stock Exchange within the past three years;
- (III) have not been subject to administrative penalties by the China Securities Regulatory Commission for major violations of laws or regulations within the past three years;
- (IV) possess good moral character, and have relevant professional knowledge or work experience in human resources, corporate management, finance, law, etc.;
- (V) other conditions required by relevant laws, regulations or the Articles of Association and the securities regulatory rules of the place where the Company's Shares are listed.

Article 7 The term of office of the Committee shall be the same as that of the Board of Directors. Members may be re-elected upon expiration of their terms. Unless circumstances arise that disqualify a member from holding office as stipulated in the Company Law, the Articles of Association, the Hong Kong Listing Rules or these terms of reference, a member shall not be removed from office without cause prior to the expiration of his/her term. If a member ceases to serve as a Director or independent Director of the Company during the term, or is no longer eligible to serve as a member (e.g., a member required to hold independent non-executive Director status no longer meets the independence requirements of the Hong Kong Listing Rules), such member shall automatically cease to hold office. To ensure that the composition of the Committee complies with these Terms of Reference, the Board of Directors shall promptly appoint additional members to fill any vacancy in accordance with Article 5 hereof, and the term of office of the member so appointed shall expire at the end of the term for which such member serves as a Director or independent Director.

Article 8 Should the number of members of the Nomination Committee falls below the quorum stipulated in the Hong Kong Listing Rules due to the resignation and removal of members or other reasons, the Board of Directors shall immediately issue an announcement detailing the circumstances and reasons for non-compliance in accordance with the Hong Kong Listing Rules, and shall then fill the vacancy within three months from the date of non-compliance above in accordance with the Hong Kong Listing Rules and Articles 4 to 8 of these terms of reference. The term of office of a supplementary member shall expire at the end of his/her term of office as a Director.

Chapter 3 Duties and Authorities

Article 9 The Nomination Committee is responsible for formulating the criteria and procedures for selection of Directors and senior management, screening and reviewing the candidates for Directors and senior management and their qualifications, as well as making recommendations to the Board of Directors on the following issues:

- (I) to review the structure, size and composition (including the skills, knowledge and experience) of the Board of Directors at least annually, assist the Board of Directors in maintaining a board skills matrix, and make recommendations on any proposed changes to the Board of Directors in line with the Company's strategy;
- (II) to identify individuals suitably qualified to become Directors, and select or make recommendations to the Board of Directors on the selection of, individuals nominated for directorships;
- (III) to nominate, appoint, remove or re-appoint Directors and propose succession plan for Directors (particularly the chairman and general manager);
- (IV) to engage or dismiss senior management;
- (V) to assess the independence of independent Directors;
- (VI) to support the Company's regular evaluation of the performance of the Board of Directors;
- (VII) other matters stipulated by the laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

If the Board of Directors does not adopt or does not fully adopt the recommendations of the Committee, it shall record the opinions of the Committee and the specific reasons for not adopting them in a resolution of the Board of Directors and disclose the same.

Article 10 The Committee is responsible to the Board of Directors, and the Committee's proposals shall be submitted to the Board of Directors for review and decision; the Controlling Shareholders shall fully respect the Committee's recommendations and shall not propose alternative Directors or senior management members without sufficient reasons or reliable evidence.

Article 11 The Nomination Committee shall disclose its terms of reference on the websites of The Stock Exchange of Hong Kong Limited and the Company, explaining its role and the powers delegated to it by the Board of Directors.

Chapter 4 Decision-Making Procedure

Article 12 The Committee shall, pursuant to the relevant laws, regulations, rules, normative documents, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association, and with consideration of the actual situation of the Company, examine the qualifications, selection process and terms of office for the Company's Directors and senior management, form a resolution, file it for the record before submitting it to the Board of Directors for approval and implement it in compliance therewith.

Article 13 Procedures for selection and appointment of Directors and senior management:

- (I) the Committee shall proactively communicate with the Company's relevant departments, consider the Company's demand for new Directors and senior management, and present such information in writing;
- (II) the Committee may search extensively for candidates for Directors and senior management from the Company, the enterprises in which the Company holds controlling or non-controlling interests and the recruitment market;
- (III) to collect information about the occupation, academic qualifications, post title, detailed work experience and all the concurrent posts of the candidates and present such information in writing;
- (IV) to seek the nominees' consent for nomination; otherwise, the nominees cannot become the candidates for Directors or senior management;
- (V) to convene a Committee meeting to review the qualifications of the candidates on the criteria for Directors or senior management;
- (VI) to make recommendations to the Board of Directors regarding the candidates for Directors and new senior management and submit the relevant information to the Board of Directors prior to the election of new Directors and engagement of new senior management;
- (VII) to conduct other follow-up work according to the decision and feedback of the Board of Directors.

Chapter 5 Rules of Procedures

Article 14 The Committee shall convene meeting based on actual needs from time to time each year. The Board of Directors, convener or more than half of the members of the Committee shall have the right to propose the convening of an extraordinary meeting of the Committee.

Article 15 A notice shall be given to all members 3 days prior to the date of meeting of the Committee. The meeting shall be presided over by the convener. If the convener is unable to attend the meeting, he or she may appoint another member to preside over the meeting. In case of an urgent meeting is required to be convened due to special reasons, the above notification period can be exempt, but the convener shall make an explanation at the meeting. The notice of meeting may be delivered in writing by hand, facsimile, registered mail or e-mail. In urgent case, the notice can be given by telephone, and such notice shall at least include the time and venue of the meeting, the manner to convene the meeting, as well as an explanation on the urgency to convene the meeting as soon as possible, and a supplementary written notice shall be delivered after the meeting.

Article 16 A Committee meeting may only be held if more than half of the members are present. Each member shall have one vote. Resolutions may only be passed by more than half of all the members voting in favor of such resolutions. If the members of the Committee are unable to form an effective opinion due to interest avoidance, the relevant matters shall be directly considered by the Board of Directors. If a member is unable to attend the meeting in person for any reason, he/she may appoint another member in writing to attend, express opinions, and vote on his/her behalf. Each member may accept appointment from no more than one other member. When a member who is an independent Director is unable to attend the meeting in person for any reason, he/she shall appoint another member who is an independent Director to attend on his/her behalf.

Article 17 Votes may be made by a show of hands or by poll at a meeting of the Committee, while voting at an extraordinary meeting of the Committee may also be made by correspondence.

Article 18 The Committee may also invite other Directors, senior management and persons in charge of relevant departments of the Company to present at its meetings if necessary.

Article 19 The Committee may, if necessary, engage an intermediary to provide professional advice on its decision-making at the cost of the Company.

Article 20 The convening procedures, voting methods, and resolutions passed at meetings of the Committee shall comply with relevant laws, regulations, the securities regulatory rules of the place where the Company's Shares are listed, the Articles of Association, and these terms of reference.

Article 21 Minutes shall be kept for meetings of the Committee. The draft and final versions of the minutes shall be sent to all Committee members within a reasonable period after the conclusion of the meeting, with the draft provided to Directors for their comments and the final version for record purposes. Members attending the meeting shall sign the minutes. The secretary to the Board of Directors shall serve as the secretary of the Nomination Committee. If the secretary to the Board of Directors is absent, his/her delegate or any person appointed by the members attending the Nomination Committee meeting shall attend the Nomination Committee meeting and take the minutes. Minutes of meetings shall be kept by the secretary to the Board of Directors for a period of ten years, and shall be made available for inspection by any Director upon reasonable notice in any reasonable timeframe.

Article 22 Resolutions adopted and voting results of the meetings of the Committee shall be reported in writing to the Board of Directors.

Article 23 Members attending the Committee meeting shall have a duty of confidentiality with respect to matters discussed at the meeting and shall not disclose relevant information without authorization.

Article 24 If a member of the Nomination Committee has an interest in a matter to be considered by the Nomination Committee, the interested member shall abstain from voting on such matter.

Chapter 6 Supplementary Provisions

Article 25 In these terms of reference, the meaning of “independent Director” is consistent with the meaning of “independent non-executive Director” in the Hong Kong Listing Rules. Unless otherwise specified, terms used in these terms of reference shall have the same meanings as defined in the Articles of Association.

Article 26 For matters not covered in these terms of reference, or conflicts between these terms of reference and the provisions of relevant laws, regulations, rules, normative documents, the securities regulatory rules of the place where the Company’s Shares are listed and the Articles of Association, the provisions of such laws, regulations, rules, normative documents, the securities regulatory rules of the place where the Company’s Shares are listed and the Articles of Association shall prevail.

Article 27 Subject to the consideration and approval by the Board of Directors of the Company, these terms of reference shall take effect from the date on which the H Shares issued by the Company are listed on The Stock Exchange of Hong Kong Limited. These terms of reference shall be interpreted and amended by the Board of Directors of the Company.