



中国科技产业集团有限公司
CHINA TECHNOLOGY INDUSTRY GROUP LIMITED
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8111)

**Terms of reference of the Nomination Committee of
the Board of Directors**

China Technology Industry Group Limited (“Company”)

Terms of reference of the Nomination Committee (“NC”) of the Board of Directors (“Board”) of the Company

1. Membership

- 1.1 The NC shall comprise not less than three members to be appointed by the Board and the majority of whom should be independent non-executive directors of the Company (“**Directors**”, each a “**Director**”).
- 1.2 The Board shall appoint the chairman of the NC who should be one of the independent non-executive Directors sitting on the NC.
- 1.3 Only members of the NC have the right to attend the NC meetings. However, any Director, executive members of the Company or other person may be invited to attend the meetings when the NC considers that their attendance can assist it to discharge its duties.
- 1.4 A NC member may not appoint any alternate.

2. Frequency and proceedings of meetings

- 2.1 The NC shall meet at least once a year and at such other times as the chairman of the NC shall request.
- 2.2 The quorum for meetings of the NC shall be two and of such a number that the independent non-executive Directors shall form the majority in the meeting. A duly convened meeting of the NC at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in the NC.
- 2.3 NC members may pass resolutions by way of written resolutions, but such must be passed by all NC members in writing.

3. Secretary

- 3.1 The company secretary of the Company or his/her nominee shall act as the secretary of the NC.

4. Notice of Meetings

- 4.1 Meetings of the NC shall be convened by the chairman of the NC. In the absence of the chairman of the NC, the remaining members present shall elect one of them to chair the meeting. For the avoidance of doubt, the chairman of the Board shall not chair the meeting of the NC when it is dealing with the succession of chairmanship.
- 4.2 Unless otherwise agreed, notice of each meeting setting out the venue, time and date together with the agenda of items to be discussed, shall be forwarded to each of the members of the NC and any other person required to attend at least seven working days before the date of meeting. Supporting papers of the meeting shall be sent to all members of the NC and other attendee(s) (if any) at least three working days before the meeting.
- 4.3 A NC member may or, on the request of a NC member, the secretary of the NC shall, at any time summon a NC meeting. Notice shall be given to each NC member in person orally or in writing or by telephone or by email or by facsimile transmission at the correspondence address or telephone number or email address or facsimile number from time to time notified to the secretary by such NC member or in such other manner as the NC members may from time to time determine.
- 4.4 Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.

5. Minutes of the Meetings

- 5.1 Minutes of the NC meetings shall record in sufficient detail the matters considered in the meetings and decisions reached, including any concerns raised and dissenting views expressed. Draft and final versions of minutes of the meetings should be sent to all NC members for their comments and records within fourteen working days after the meeting and unless there is a conflict of interest, to all other members of the Board.
- 5.2 The secretary of the NC shall keep the minutes and resolutions passed at the NC meetings and they should be open for inspection at any reasonable time on reasonable notice by any Director save when there is a conflict of interest.

6. Annual General Meeting

- 6.1 The chairman of the NC shall attend the Annual General Meeting of the Company and be prepared to respond to shareholders' questions on the activities of the NC.

7. Duties

7.1 The NC shall:

7.1.1 review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

7.1.2 identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

7.1.3 assess the independence of independent non-executive Directors;

7.1.4 make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman of the Board and the chief executive of the Company;

7.1.5 (where the Board proposes a resolution to elect a candidate as an independent non-executive Director at a general meeting) consider the following:

- a) the process used for identifying the candidate and why the NC believes the candidate should be elected and the reason why it considers the candidate to be independent;
- b) (if the proposed independent non-executive Director will be holding his/her seventh (or more) listed company directorship) why the NC believes the candidate would still be able to devote sufficient time to the Board;
- c) the perspectives, skills and experience that the candidate can bring to the Board; and
- d) how the candidate contributes to diversity of the Board.

7.1.6 develop and review, as appropriate, the board diversity policy of the Company ("**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 review the progress on achieving the objectives;

7.1.7 develop and review, as appropriate, a policy for the nomination of Directors ("**Nomination Policy**") setting out the process and criteria adopted by the NC to identify, select and recommend to the Board candidates for directorship;

7.1.8 make recommendations to the Board on the membership of other Board committees including audit committee of the Board and remuneration committee of the Board, in consultation with the chairman of the Board and the chairman of such committees, as appropriate;

- 7.1.9 before recommending an appointment of Director, evaluate the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the NC shall:
- (i) use such method or methods to facilitate the search as it may deem appropriate;
 - (ii) consider candidates from a wide range of backgrounds; and
 - (iii) consider candidate on a merit basis and against objective criteria, ensuring that candidate is willing to devote sufficient time in discharge of its duties as a Director;
- 7.1.10 make recommendations to the Board on any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an executive Director as an employee of the Company subject to the applicable laws and their service contracts;
- 7.1.11 review the leadership needs of the Company, both executive and non-executive, with a view to ensure the continued ability of the Company to compete effectively in the marketplace;
- 7.1.12 keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 7.1.13 in respect of any proposed service contracts to be entered into by any members of the Company and its subsidiaries (collectively as the “**Group**”) with their director(s) or proposed director(s), which require the prior approval of the shareholders of the Company at general meeting under the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”), review and provide recommendations to the shareholders of the Company (other than shareholders who are Directors with a material interest in the relevant service contracts and their respective associates) as to whether the terms of the service contracts are fair and reasonable and whether such service contracts are in the interests of the Company and its shareholders as a whole, and so advise its shareholders on how to vote;
- 7.1.14 review annually the capacity to devote adequate time commitment by the non-executive Directors in discharge of their duties;
- 7.1.15 ensure that on appointment to the Board, non-executive Directors would receive a formal letter of appointment setting out clearly their duties and responsibilities; and
- 7.1.16 conduct exit interviews with any Director upon their resignation in order to ascertain the reason(s) for his/her departure.

8. Reporting Responsibilities

- 8.1 The NC chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 8.2 The NC shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 8.3 The NC shall provide to the Board all the information set out in paragraph L of Appendix 15 to the GEM Listing Rules, to enable the Company to prepare the corporate governance report in its annual report in compliance with such Appendix 15.

9. Authority

- 9.1 The NC is authorized to seek any information it reasonably requires from any employee of the Company in order to perform its duties.
- 9.2 Where necessary, the NC should seek independent professional advice, at the Company's expense, to perform its responsibilities.
- 9.3 The Company should provide the NC with sufficient resources to perform its duties.

10. Other

- 10.1 The NC shall review annually these terms of reference and its performance and recommend any changes to these terms of reference it considers necessary to the Board for approval.

11. Disclosure

- 11.1 The NC should make available these terms of reference explaining its role and the authority delegated to it by the Board by including them on the respective website of GEM and the Company.

Adopted in March 2012 and updated in December 2018

(c.f. Guidance Note — a practical guide to good corporate governance published by The Hong Kong Institute of Chartered Secretaries (December 2006))