

**ZHI SHENG GROUP HOLDINGS LIMITED**  
**智昇集團控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 8370)

**Terms of Reference for Nomination Committee**

**1. Constitution**

The board of Directors (the “**Board**”) has on 19 December 2016 resolved to establish a committee of the Board to be known as the Nomination Committee (the “**Committee**”) with effect from the listing date of Zhi Sheng Group Holdings Limited (the “**Company**”).

**2. Functions and Objectives**

The Nomination Committee is appointed by the Board to regularly review the structure, size, composition and diversity of the Board and make recommendations to the Board on the appointment of Directors and management of Board succession.

**3. Composition**

3.1 The members of the Committee shall be appointed by the Board and shall consist of at least three members, a majority of whom shall be independent non-executive directors of the Company.

3.2 The Chairman of the Committee shall be appointed by the Board and shall be either the chairman of the Board or an independent non-executive Director.

**4. Attendance at Meetings**

4.1 The Committee may invite any executive Directors, member of senior management or other individual to attend meetings of the Committee as it considers appropriate but such executive Directors, member of senior management or other individuals are not entitled to vote at the meetings.

4.2 The Company Secretary of the Company or his or her nominee shall be the secretary of the Committee.

4.3 No Director should be involved in and shall abstain from discussion in deciding the nomination of his associates.

**5. Proceedings of Meetings**

5.1 The meetings and proceedings of the Committee are governed by the provisions of the Articles of Association of the Company for regulating the meetings and proceedings of the Board, except for otherwise determined by the Board from time to time.

5.2 The quorum for meetings shall be two members of the Committee.

5.3 The Chairman, in consultation with the person responsible for Human Resources and the secretary of the Committee, should be primarily responsible for drawing up and approving the agenda for each Committee meeting. The Chairman, with the assistance of the secretary, shall ensure that all members shall receive sufficient information in a timely manner to enable effective discussion at the Committee meeting. The Chairman shall, with the assistance of the person responsible for Human Resources, brief all members on issues arising at each Committee meeting.

## **6. Frequency of meeting**

Meetings shall be held at least once a year and at such times as the Committee determines is appropriate to carry out its responsibilities.

## **7. Authorities**

7.1 The authority of the Committee is derived from the Board, therefore the Committee is obliged to report to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions in doing so.

7.2 The Committee is authorised by the Board to make full use of intermediary agencies for identifying qualified director candidates at the Company's expense and to conduct interviews with prospective candidates for nomination.

7.3 The Company should provide the Committee sufficient resources to perform its duties. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

## **8. Duties of the Committee**

8.1 In addition to any other responsibilities which may be assigned from time to time by the Board, the duties of the Committee shall be:

- (a) to 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;
- (b) to identify individuals suitably qualified to become Board member and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (c) to assess the independence of independent non-executive Directors;
- (d) 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;

- (e) to make available the terms of reference, explaining the role of the Committee and the authority delegated to it by the Board by including them on the websites of the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited and the Company;
- (f) to develop and recommend to the Board measurable objectives for achieving diversity on the Board and monitor the progress on achieving those objectives;
- (g) to identify and nominate candidates to fill casual vacancies of the Directors for the Board's approval;
- (h) to ensure that each director should be nominated by means of a separate resolution in meetings of the Board and/or the general meetings of the Company, as appropriate; and
- (i) to do any such things to enable the Committee to perform its functions conferred on it by the Board.

8.2 Where the Board proposes a resolution to elect an individual as an independent non-executive Director at the general meeting, it should set out in the circular to shareholders of the Company and / or explanatory statement accompanying the notice of the relevant general meeting why they believe he should be elected and the reasons why they consider him to be independent.

8.3 The Chairman of the Committee or in the absence of the Chairman, another member of the Committee or failing his duly appointed delegate, should be available to answer questions at the annual general meeting.

## **9. Reporting procedures**

9.1 The secretary of the Committee shall record minutes of all duly constituted meetings of the Committee. All minutes shall record in sufficient details the matters considered, decisions reached or recommendations made and any concerns raised by any member including dissenting views.

9.2 The secretary shall circulate the draft and final versions of the minutes of meetings and reports of the Committee to all members for comments and records within a reasonable time after each meeting, subject to any legal or regulatory restrictions restricting such circulation or the making of such reports.

9.3 The Chairman of the Committee who chair the meetings or other Member who is authorised by the chairman of the Committee to chair the meetings shall report in the forthcoming regular Board meeting any key decisions made and shall table before the Board an index of meetings and issues discussed.

## **10. Interpretation**

Interpretation of these terms of reference shall belong to the Board.

*(The English version shall always prevail in case of any inconsistency between the English version and its Chinese translation.)*

*(Adopted by the Company pursuant to the Board's resolutions passed on 19 December 2016)*