

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 (the “**Board**”) of directors (the “**Directors**”) of the Company on 19 December 2016 resolved to establish a committee of the Board known as the Nomination Committee (the “**Committee**”).

The first revised terms of reference of the Committee was adopted by the Board on 28 December 2018.

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.

3.2 The chairman of the Committee (the “**Chairman**”) 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 as 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) reviewing the structure, size and composition (including the skills, knowledge, and experience) of the Board at least annually or when necessary and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) reviewing the policy on Board diversity (the "**Board Diversity Policy**") and the measurable objectives for implementing the Board Diversity Policy from time to time adopted by the Board, and reviewing and monitoring the progress on achieving these objectives;
- (c) developing and reviewing as appropriate, the policy for the nomination of Directors ("**Nomination Policy**") and to disclose the summary of the Nomination Policy in the corporate governance report of the Company annually; the Nomination Policy shall set out, inter alia, the nomination procedures and process and criteria to select and recommend candidates for directorship;
- (d) identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships, having due regard to the Board Diversity Policy and Nomination Policy;
- (e) assessing the independence of independent non-executive Directors with reference to the requirements of the GEM Listing Rules;
- (f) making 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, having due regard to the Board Diversity Policy and Nomination Policy;
- (g) making 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 GEM of the Stock Exchange of Hong Kong Limited and the Company;
- (h) developing and recommending to the Board measurable objectives for furthering the Board Diversity Policy;
- (i) identifying and nominating candidates to fill casual vacancies of the Directors for the Board's approval, having due regard to the Board Diversity Policy and the Nomination Policy;
- (j) ensuring 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;
- (k) conforming to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by the GEM Listing Rules or applicable law; and

(l) doing 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 the process used for identifying the individual and why they believe the individual should be elected, the reasons why they consider the individual to be independent, the perspectives, skills and experience that the individual can bring to the Board and how the individual contributes to diversity of the Board, and if the proposed independent non-executive Director will be holding his or her seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board.

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 of the Committee 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 who chairs the meetings or other member who is authorised by the Chairman 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.)