



**Hebei Haiwei Electronic New Material Technology Co., Ltd.**

**河北海偉電子新材料科技股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 9609)**

## **TERMS OF REFERENCE OF THE NOMINATION COMMITTEE OF THE BOARD OF DIRECTORS**

### **CHAPTER 1 GENERAL PROVISIONS**

**Article 1** To further establish and refine the criteria and procedures for the selection of directors and senior management of Hebei Haiwei Electronic New Material Technology Co., Ltd. (hereinafter referred to as the “Company”), and to improve the corporate governance structure, the Company has hereby established the Nomination Committee of the Board of Directors and formulated these terms of reference in accordance with the provisions of the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Trail Administrative Measures of Overseas Securities Offering and Listing by Domestic 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”) and other relevant laws, administrative regulations, departmental rules, regulatory documents and the Articles of Association of Hebei Haiwei Electronic New Material Technology Co., Ltd. (hereinafter referred to as the “Articles of Association”) and the Rules of Procedures for the Board of Directors of Hebei Haiwei Electronic New Material Technology Co., Ltd.

**Article 2** The Nomination Committee is a specialized working organization established by the Board of Directors in accordance with the Articles of Association. It is responsible for reviewing the selection procedure, criteria and qualification for appointments of the Company’s directors and senior management and making recommendations to the Board of Directors. The Nomination Committee shall be accountable to and shall report to the Board of Directors.

### **CHAPTER 2 COMPOSITION**

**Article 3** The Nomination Committee shall comprise three directors, the majority of whom shall be independent non-executive directors, and at least one director of a different gender shall be included.

**Article 4** The members of the Nomination Committee shall be nominated by the chairman of the Board of Directors, one half or more of independent non-executive directors, or one third or more of all directors and be elected by the Board of Directors.

**Article 5** The Nomination Committee shall have a chairman of the committee, who is either the chairman of the Board of Directors or a member who is an independent non-executive director, and he/she is responsible for convening and presiding over the work of the Nomination Committee. The committee chairman shall be elected by members of the Nomination Committee and shall be submitted to the Board of Directors for approval.

**Article 6** The term of office of the members of the Nomination Committee shall be the same as that of the directors. A member of the Nomination Committee may serve consecutive terms if re-elected upon the expiry of his/her term of office. During the term of office, if any member no longer serves as a director of the Company or a member who should have the status of an independent non-executive director no longer has the independence stipulated in the Articles of Association, such person will automatically lose his/her qualification as a member of the Nomination Committee and the Board of Directors shall appoint a replacement to fill the vacancy in accordance with Articles 3 to 5 above.

**Article 7** The Nomination Committee shall have a working group set up under it, responsible for day-to-day work liaison and meeting organization, etc. The members of the working group are not required to be members of the Nomination Committee.

### **CHAPTER 3 DUTIES AND POWERS**

**Article 8** The Nomination Committee is responsible for formulating the selection criteria and procedures for directors, supervisors, and senior management, selecting and reviewing candidates for directors, supervisors, and senior management positions and their qualifications, and making recommendations to the Board of Directors on the following matters:

- (I) to consider and draw up the criteria and procedures for selecting directors, supervisors and senior management and make recommendations thereon to the Board of Directors and the Supervisory Committee. Factors to be considered include but are not limited to culture, education background and professional experience;

- (II) to submit opinions to the Board of Directors or the Supervisory Committee regarding the nomination of directors or supervisors, and provide recommendations on the appointment or re-appointment of directors or supervisors, as well as propose succession plans for directors (particularly the chairman of the Board of Directors and general manager) and supervisors to the Board of Directors or the Supervisory Committee; and to review and make recommendations on candidates for the Company's directors (especially the chairman of the Board of Directors and chief executive officer) and supervisors;
- (III) to appoint or dismiss senior management, to review and make recommendations on candidates for senior management of the Company (in particular the general manager);
- (IV) to review the independence of independent non-executive directors;
- (V) to review the structure, size, composition and diversity (including gender, age, cultural and educational background, skills, knowledge, professional experience and length of service) 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 to complement the Company's strategy;
- (VI) to identify individuals suitably qualified to serve as directors and selecting or making recommendations to the Board of Directors on the nomination of such individuals for directorships. In identifying suitable candidates, the Nomination Committee shall consider candidates on merit and against objective criteria, with due regard to the benefits of diversity on the Board of Directors;
- (VII) to support the Company in conducting regular assessments of the performance of the Board of Directors; and
- (VIII) other matters as required by applicable laws, regulations, the Articles of Association, the Hong Kong Listing Rules, and other matters authorized by the Board of Directors of the Company.

**Article 9** The Nomination Committee shall be accountable to the Board of Directors and proposals of the Nomination Committee shall be submitted to the Board of Directors for consideration and approval.

The Nomination Committee shall provide all its research discussions, materials and information to the Board of Directors in the form of reports, suggestions or summaries for studies and decision-making by the Board of Directors.

## CHAPTER 4 DECISION-MAKING PROCESS

**Article 10** The Nomination Committee shall study the selection criteria, selection procedures and terms of office for the Company's directors and senior management and formulate resolutions thereon, pursuant to the provisions of the relevant laws, administrative regulations, other regulatory documents, the Hong Kong Listing Rules and the Articles of Association of the Company, and in light of the actual situation of the Company. Relevant resolutions shall be submitted to the Board of Directors for consideration and approval, and shall be implemented accordingly.

**Article 11** The selection process of directors and senior management:

- (I) The Nomination Committee shall actively communicate with relevant departments of the Company to study the Company's demand on directors and senior management, and compile the written materials;
- (II) The Nomination Committee may broadly search for candidates suitable for assuming the roles of directors, managers and other senior management from the Company, the Company's subsidiaries (or investee companies) and talent markets;
- (III) It shall gather information about the occupation, academic qualifications, post title, detailed work experience and all the concurrent posts of the candidates and shall present such information in writing;
- (IV) It shall obtain the nominees' consent for nomination; otherwise, the nominees shall not be considered as the candidates for directors and senior management;
- (V) A meeting of the Nomination Committee shall be convened to review the qualifications of the candidates based on the relevant requirements for the positions of directors and senior management;
- (VI) It shall submit proposals and relevant materials on the candidates for directors and new senior management to the Board of Directors one to two months prior to the election of new directors and appointment of new senior management;
- (VII) Other follow-up work shall be in accordance with the decisions and feedback of the Board of Directors. The Nomination Committee may engage an intermediary to provide professional advice for its decision-making, if necessary, and the relevant reasonable expenses shall be borne by the Company.

## **CHAPTER 5 RULES OF PROCEDURE**

**Article 12** Nomination Committee meetings shall be classified into regular meetings and extraordinary meetings. Regular meetings of the Nomination Committee shall be convened at least once a year, and shall be notified to all members five days before the date of the regular meeting. The meeting shall be convened and presided over by the chairman of the committee. If the chairman of the committee is unable to attend the meeting, he/she may appoint another member (an independent non-executive director) to convene and preside over the meeting.

An extraordinary meeting of the Nomination Committee shall be notified to all members two days before convening the meeting. The aforesaid notice period may be waived under unanimous consent of all members.

The means of notification include personal delivery, fax, letter, e-mail and telephone, etc.

**Article 13** A notice of meeting of the Nomination Committee shall include at least the following:

- (I) time and location of the meeting;
- (II) duration of the meeting;
- (III) agenda to be discussed at the meeting;
- (IV) contact person and contact information of the meeting;
- (V) date of notification of the meeting.

If the notification is made by telephone, it shall contain at least the contents as set out in items (I) and (II) above, and a written record must be prepared and the meeting documents must be dispatched to all members before the meeting.

**Article 14** Meetings of the Nomination Committee may be held in the form of on-site meetings and conduct voting by registered ballot. With the unanimous consent of all members, the extraordinary meetings could be convened and resolutions could be passed by means of video conference, telephone conference or written resolution.

**Article 15** A meeting of the Nomination Committee shall be held only by the presence of more than two-thirds of the members (including the members who have appointed other members in writing to attend the meeting on their behalf). Each committee member shall have one vote. A resolution made at the meeting must be passed by more than half of all the members.

**Article 16** If a member of the Nomination Committee appoints another member to attend the meeting and exercise voting rights on his/her behalf, he/she shall submit a power of attorney to the chairman of the meeting. The power of attorney shall state the name of the proxy, matters to be handled by the proxy, the scope of authorization and the validity period, and shall be signed or sealed by the appointer. If any voting matter is involved, the appointer shall clearly express his/her consent, objection or abstention on each matter in the power of attorney. Members shall not make or accept an appointment of proxy without voting intention, an appointment full discretion or an appointment with unclear scope of authorization. A valid power of attorney shall be submitted to the chairman of the meeting no later than the time of voting at the meeting.

**Article 17** Any member of the Nomination Committee who neither attends the meeting in person nor appoints another member to attend on his/her behalf shall be deemed to have not attended the relevant meeting. If a member of the Nomination Committee fails to attend two consecutive meetings and has not appointed other members to attend on his/her behalf, he/she is deemed to be unable to perform his/her duties and powers properly, and the Board of Directors may remove him/her from his/her position as a member.

**Article 18** Upon completion of voting by the members at a meeting, the voting results of each member shall be collected and counted in a timely manner. If the meeting is held on-site, the chairman of the meeting shall announce the voting results on the spot; if voting is conducted by other means, the chairman of the meeting shall notify all committee members in writing of the voting results within three days after the expiration of the voting time limit.

**Article 19** Members of the working group may attend the meeting of the Nomination Committee as non-voting delegates, and directors and senior management of the Company may be invited to attend the meeting as non-voting delegates, if necessary.

**Article 20** A member of the Nomination Committee shall abstain from discussing resolutions related to him/her at the meetings of the Nomination Committee.

**Article 21** The procedures for convening the meeting of the Nomination Committee, the voting method and the remuneration policy and distribution plan adopted at the meeting must comply with the provisions of the relevant laws, administrative regulations, other regulatory documents, the Hong Kong Listing Rules, the Articles of Association and these terms of reference.

**Article 22** Minutes of the Nomination Committee meetings shall be kept. The first draft and final version of the minutes of meetings shall be dispatched to all members have attended the meeting within a reasonable period of time after the meeting for expression of opinions on the first draft and for record purpose with the final version, and members who have attended the meeting shall sign on the minutes of meeting; the minutes of meetings shall be kept by the secretary to the Board of Directors of the Company, and shall be kept for at least 10 years during the existence of the Company.

**Article 23** Proposals and voting results adopted at the meetings of the Nomination Committee shall be reported to the Board of Directors of the Company in writing.

**Article 24** Members attending the meetings of the Nomination Committee and persons attending the meeting as non-voting delegates are obligated to keep confidential the matters discussed at the meetings and shall not disclose the relevant information without authorization.

## **CHAPTER 6 ANNUAL GENERAL MEETING**

**Article 25** The chairman of the committee is required to attend the annual general meeting of the Company and be prepared to answer any questions raised by shareholders on matters relating to the duties of the Nomination Committee.

**Article 26** If the chairman of the committee is unable to attend the annual general meeting of the Company, he/she must make arrangement for another committee member to attend the meeting. Such person shall be prepared to answer questions raised by shareholders regarding the work of the Nomination Committee at the annual general meeting.

## **CHAPTER 7 SUPPLEMENTARY PROVISIONS**

**Article 27** Unless otherwise specified, the terms used herein shall have the same meaning ascribed thereto under the Articles of Association.

**Article 28** The terms “not less than” and “within” mentioned in these terms of reference include the given figure; “beyond” and “less than” do not include the given figure.

**Article 29** Any matters not covered by these terms of reference shall be dealt with in accordance with the relevant provisions of the laws, regulations or regulatory documents (including the listing rules of the place where the shares of the Company are listed), and the Articles of Association, the resolutions of the Company's general meetings or other relevant rules and regulations; if these terms of reference are inconsistent with any provisions of the relevant laws, regulations or regulatory documents (including the listing rules of the place where the shares of the Company are listed) or the Articles of Association, the provisions of the relevant laws, regulations or regulatory documents (including the listing rules of the place where the shares of the Company are listed) and the Articles of Association shall prevail.

**Article 30** The Board of Directors shall be responsible for the formulation and amendment of these terms of reference, as well as their interpretation.

**Article 31** These terms of reference, after being considered and approved by the Board of Directors of the Company, shall take effect from the date of listing and trading of the overseas listed foreign shares (H Shares) on The Stock Exchange of Hong Kong Limited upon initial public offering of the Company.