



**RONGTA**

**Rongta Technology (Xiamen) Group Co., Ltd.**

**容大合眾(廈門)科技集團股份公司**

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

**(Stock Code: 9881)**

## **RULES OF PROCEDURE OF THE NOMINATION COMMITTEE OF THE BOARD**

### **CHAPTER 1 GENERAL PROVISIONS**

**Article 1** In order to regulate the election of directors and senior management of the Company, optimize the composition of the board of directors and improve its corporate governance structure, the Company has established the nomination committee of the board of directors and formulated these rules of procedure pursuant to the Company Law of the People's Republic of China (hereinafter referred to as the “**Company Law**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Listing Rules**”), Articles of Association of Rongta Technology (Xiamen) Group Co., Ltd. (hereinafter referred to as the “**Articles of Association**”) and other relevant regulations.

**Article 2** The nomination committee of the board of directors is a specialized working body established by the board of directors, primarily responsible for selection of candidates for directors, general manager and other senior management of the Company, and setting up criteria and procedures for selection and making recommendation.

Senior management as referred herein shall refer to the general manager, deputy general managers, chief financial officer and other senior management of the Company as specified in the Articles of Association.

**Article 3** The provisions of the Company Law and the Articles of Association in relation to the obligations of the directors apply to the members of the nomination committee.

### **CHAPTER 2 COMPOSITION**

**Article 4** The nomination committee shall consist of at least three directors and at least one director of a different gender, of which a majority of whom shall be independent non-executive directors.

**Article 5** Members of the nomination committee shall be nominated by the chairman of the board of directors, a simple majority of independent non-executive directors, or more than one-third of the board members, and shall be elected by the board of directors.

**Article 6** The nomination committee shall have a chairman, who shall be an independent non-executive director or the chairman of the board of directors and responsible for taking charge of the work of the committee and serve as the convener. The chairman shall be elected among committee members and the election shall be reported to the board of directors for approval.

**Article 7** A member of the nomination committee shall have a term of office consistent with the term of the board of directors and shall be eligible for re-election on the expiry on his/her term. Where a member ceases to be a director of the Company, he/she will automatically cease to be qualified as a member of the committee, and the causal vacancy shall be filled by the person elected by the committee in accordance with Articles 4 to 6 above.

### **CHAPTER 3 DUTIES AND AUTHORITY**

**Article 8** The main duties and authority of the nomination committee shall be as follows:

- (1) 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 to the board of directors on any proposed change in light of the business operation, scale of assets and shareholding structure as well as strategies of the Company; in considering the composition of the board of directors, the nomination committee shall ensure a balanced composition of executive and non-executive directors (including independent directors) of the board of directors and consider diversity of the board of directors from various aspects, including but not limited to, gender, age, cultural and educational background and professional experience of the directors; to develop and review the policy for board diversity and disclose the policy or its summary in the corporate governance report;
- (2) to review criteria and procedures of selection of directors, managers and other senior management and make recommendation to the board of directors;
- (3) to extensively search for qualified candidates for directors, managers and other senior management and select and nominate such persons to act as directors or make recommendations to the board of directors in this regard;
- (4) to examine the candidates for directors (including independent non-executive directors) and senior management and make recommendations to the board of directors;
- (5) to make recommendations to the board of directors on appointment or re-appointment of and the succession plan for directors (especially chairman) and general manager;

- (6) to assess the independence of independent non-executive directors, review the time required for non-executive directors (including independent non-executive directors) on annual basis, and assess whether the non-executive directors (including independent non-executive directors) have devoted sufficient time to discharge their duties through performance assessment;
- (7) support the Company's regular evaluation of the performance of the board of directors;
- (8) to ensure that the non-executive directors receive a formal appointment letter setting out clearly the requirements for the non-executive directors in terms of time commitment, services to the committee and participation other than board meetings upon the appointment to the board of directors; and
- (9) to assume duties and authority prescribed by laws, administrative regulations, departmental regulations, regulatory documents, the listing rules of the stock exchange where the shares of the Company are listed, the Articles of Association, and other matters authorized by the board of directors, and report to the board of directors on matters within the term of reference of the committee, including decisions or recommendations made by the committee.

**Article 9** The nomination committee shall be accountable to the board of directors. Proposals made by the committee shall be submitted to the board of directors for consideration and approval.

**Article 10** The board of directors shall give due deference to the recommendation of the nomination committee on the nomination of candidates for directors and general manager, and shall not shelve any recommendation on candidates for directors and general manager proposed by the nomination committee without valid reasons or reliable evidence.

If an independent non-executive director has served more than nine years, further appointment of such director shall be passed by a separate resolution by shareholders. The documents accompanying that resolution to shareholders shall state the reasons for the board of directors (or the nomination committee) to believe that the director remains independent and shall be re-elected, including the factors considered, the procedures and the discussion of the board of directors (or the nomination committee) in arriving at such decision.

**Article 11** Relevant departments of the Company shall cooperate with the nomination committee to perform its duties. Expenses to be incurred in the ordinary operation of the nomination committee shall be borne by the Company.

## **CHAPTER 4 DECISION-MAKING PROCEDURES**

**Article 12** The nomination committee shall review the criteria for election and procedures for selection of directors and senior management of the Company in accordance with the requirements of relevant laws, administrative regulations, departmental rules, regulatory documents, listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association in light of the actual situation of the Company. Any proposal made in this regard shall be submitted to the board of directors for approval.

**Article 13** The procedures of election and appointment for directors and senior management shall be as follows:

- (1) the nomination committee shall communicate actively with relevant departments of the Company to understand the demand of the Company for new directors and senior management and shall produce written materials;
- (2) the nomination committee may seek extensively for candidates of directors and senior management in the Company, its holding companies and job market;
- (3) the nomination committee shall collect information on, among others, occupation, educational background, job titles, detailed working experience of and all part-time jobs undertaken by the candidates and produce written materials;
- (4) the nomination committee shall seek advice from nominees and understand their expectation on their nomination, and no nominee shall be deemed as candidates for directors and senior management without their consent;
- (5) the nomination committee shall convene meetings to review the qualification of shortlisted candidates based on the requirements of directors and senior management;
- (6) the nomination committee shall make recommendations and submit relevant materials to the board of directors regarding candidates for directors and newly-appointed senior management one to two months prior to election of new directors and appointment of new senior management;
- (7) the nomination committee shall conduct other follow-up work pursuant to the decision of and feedback from the board of directors.

## CHAPTER 5 SYSTEM OF MEETINGS

**Article 14** The nomination committee shall convene meetings when necessary on non-regular basis and notify all members three days before the meeting is convened. The meeting shall be presided over by the chairman, or where the chairman is unable to attend the meeting, he/she may appoint another member (being independent non-executive directors) to preside over it. If the chairman fails to perform his/her duties or designate other members to perform on his/her behalf, any of the members may report to the board of directors, and the board of directors shall designate a member to perform the duties of the chairman.

**Article 15** The quorum of a meeting of the nomination committee shall be more than two-thirds of the members. Every member shall have one vote. Resolutions made at the meetings shall be passed by a simple majority of the members.

A meeting of the nomination committee may be convened by way of a written circular signed by all members. Written proposals may be dispatched by fax, courier or by hand or other methods to all committee members. Committee members shall return the original copies to the Company for filing after casting vote on the proposals. A proposal signed by consenting members satisfying the number of votes required hereunder shall become an effective resolution of the committee.

**Article 16** At the meetings of the nomination committee, voting shall be made by a show of hands or by poll; extraordinary meetings may be convened by means of correspondence voting.

A member of the nomination committee may attend the meeting in person or appoint another member in writing to attend to and exercise voting rights at the meeting on his/her behalf. If a member of the nomination committee appoints another member to attend to and exercise voting rights at the meeting on his/her behalf, he/she shall submit a power of attorney to the chairman of the meeting, and the power of attorney shall specify the scope of authorization. The power of attorney shall be delivered to the chairman of the meeting no later than a vote is taken at the meeting.

**Article 17** The nomination committee may invite directors, supervisors and other senior management of the Company to attend the meeting where necessary.

**Article 18** The nomination committee may engage intermediaries to provide professional advice for its decision-making when necessary at the expense of the Company.

**Article 19** Procedures for convening and voting methods of meetings of the nomination committee as well as the resolutions passed thereat shall be in compliance with requirements of the relevant laws, regulations, relevant requirements of the stock exchange where the shares of the Company are listed, the Articles of Association and these rules of procedure.

**Article 20** The nomination committee shall keep meeting minutes, which shall record the matters considered and resolutions passed at the meetings in detail, including any doubts or objections raised by members, and shall be circulated to every member for review and confirmation. The meeting minutes shall be signed by the members attending the meetings.

**Article 21** The resolutions passed at the meeting and poll results of the meeting of the nomination committee shall be reported to the board of directors in writing.

**Article 22** Members present at meetings shall be obliged to keep all matters discussed at the meetings confidential and shall not disclose the relevant information without authorization.

## **CHAPTER 6 ABSTENTION FROM VOTING**

**Article 23** When a member of the nomination committee has an interest of conflict, directly or indirectly, in respect of any matter discussed at the meeting, such member shall abstain from voting on the relevant proposals.

Where the number of members attending the meeting is less than the quorum specified in these rules of procedure after the interested members abstain from voting, all members (including the interested members) shall resolve on procedural issues including submitting the proposal to the board of directors for consideration. Such proposal shall be considered by the board of directors.

## **CHAPTER 7 SUPPLEMENTARY PROVISIONS**

**Article 24** These rules of procedure and any amendments hereto have been considered and approved by the board of directors and shall take effect from the date of the initial public offering of H Shares of the Company and its listing on The Stock Exchange of Hong Kong Limited.

**Article 25** Matters not covered in these rules of procedure shall be implemented in accordance with the provisions of the relevant laws and regulations of the state, the listing rules of the stock exchange of the place where the shares of the Company are listed and the Articles of Association. In case of any conflict between these rules of procedure and laws and regulations promulgated by the state from time to time, the listing rules of the stock exchange of the place where the shares of the Company are listed or the Articles of Association as legally amended, the relevant laws and regulations of the PRC, the listing rules of the stock exchange of the place where the shares of the Company are listed and the Articles of Association shall prevail and these rules of procedure shall be amended timely.

**Article 26** The rights of interpretation of these rules of procedure shall be vested in the board of directors.