

SHANGHAI ABLE DIGITAL SCIENCE&TECH CO., LTD.

RULES OF PROCEDURES OF THE NOMINATION COMMITTEE OF THE BOARD OF DIRECTORS

CHAPTER I GENERAL PROVISIONS

Article 1 In order to regulate the appointment of directors and senior management of the Company, optimize the composition of the board of directors and improve the corporate governance structure, the Company has established a nomination committee of the board of directors and formulated these rules of procedures in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), the Articles of Association of Shanghai Able Digital Science&Tech Co., Ltd. (the "Articles of Association") and other relevant regulations.

Article 2 The nomination committee of the board of directors is a special working body set up by the board of directors, which is mainly responsible for matters such as selecting and making recommendations on the candidates for directors, general manager and other senior management of the Company and formulating the selection criteria and procedures.

The senior management referred to in these rules refer to the general manager, deputy general manager, secretary of the board of directors and chief financial officer of the Company.

Article 3 The requirements of the Company Law, the Hong Kong Listing Rules and the Articles of Association on the obligations of directors are applicable to members of the nomination committee.

CHAPTER II COMPOSITION

Article 4 The nomination committee shall comprise at least 3 directors, the majority of which shall be independent non-executive directors.

Article 5 Members of the nomination committee shall be nominated by the chairperson of the board of directors, more than half of the independent non-executive directors or more than one-third of all directors, and elected by the board of directors.

Article 6 The nomination committee shall have a chairperson who shall be an independent non-executive director or the chairperson of the board of directors. The chairperson shall be responsible for leading the work of the nomination committee and act as a convener. The chairperson shall be elected by the members of the nomination committee and appointed upon approval by the board of directors.

Article 7 The term of office of the nomination committee shall be the same as that of the board of directors. Each member of the nomination committee shall be eligible for re-election upon expiry of his/her term of office. If a member no longer assumes the position of director in the Company, he/she shall automatically lose his/her identity as a member. The vacancy shall be filled by the committee in accordance with the provisions of Articles 4 to 6 above.

CHAPTER III DUTIES AND POWERS

Article 8 The major duties and powers of the nomination committee are:

- (1) to review the structure, size and composition (including skills, knowledge and experience) of the board of directors at least annually and make recommendations to the board of directors on any proposed changes to the board of directors to complement the Company's corporate strategy in light of the business operation, scale of assets and shareholding structure of the Company; in considering the composition of the board of directors, to ensure that the board of directors has a balanced composition of executive and non-executive directors (including independent non-executive directors), and to consider the diversity of the board of directors from multiple aspects, including but not limited to the gender, age, cultural and educational background and professional experience of the directors; as well as to develop and review the board diversity policy and disclose the policy or a summary of the policy in the corporate governance report;
- (2) to study the criteria and procedures for selecting directors, managers and other senior management, and make recommendations 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 written recommendations to the board of directors;

- (5) to make recommendations to the board of directors on the appointment or re-appointment of directors and the succession plan for directors (especially the chairperson of the board of directors) and the general manager;
- (6) to assess the independence of independent non-executive directors, to review the time commitment required of non-executive directors (including independent non-executive directors) once a year, and to assess whether non-executive directors (including independent non-executive directors) have spent enough time on their duties through performance appraisal;
- (7) to ensure that non-executive directors receive a formal letter of appointment upon joining the board of directors, which clearly sets out the requirements for non-executive directors in terms of matters such as time commitment, committee service and involvement beyond board meetings; and
- (8) to assume duties and authorities prescribed by laws, administrative regulations, departmental rules, 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 terms of reference of the committee, including decisions or recommendations made by the committee.

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

Article 10 The board of directors shall fully respect the recommendations of the nomination committee on the nomination of candidates for directors and the general manager. Without sufficient reasons or reliable evidence, it shall not set aside the recommendations of the nomination committee on the nomination of candidates for directors and general manager.

If an independent non-executive director has served for more than 9 years, his/her re-appointment shall be subject to a separate resolution to be approved by shareholders. The papers accompanying that resolution shall include the reasons why the board of directors (or the nomination committee) believes he/she is still independent and should be re-elected.

Article 11 When the nomination committee performs its duties, the relevant departments of the Company shall cooperate, and the daily operating expenses incurred by the nomination committee shall be borne by the Company.

CHAPTER IV DECISION-MAKING PROCEDURES

Article 12 The nomination committee shall, in accordance with the provisions of the relevant laws, administrative regulations, departmental rules, regulatory documents, the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association, and in light of the Company's actual circumstances, study the selection criteria and procedures of the directors and senior management of the Company, and form a resolution which shall be submitted to the board of directors for approval.

Article 13 The selection procedures of directors and senior management are:

- (1) the nomination committee shall actively communicate with relevant departments of the Company to review the Company's needs for new directors and senior management and produce a written document thereon;
- (2) the nomination committee may extensively search for candidates for directors and senior management internally within the Company and its controlled enterprises and from the labor market;
- (3) to gather information about the occupation, academic qualifications, post title, detailed work experience and all the concurrent posts of the candidates and present such information in writing;
- (4) to solicit the nominee's opinions and requirements on the nomination, and the nominee cannot be selected as a candidate for director or senior management without the nominee's consent;
- (5) to convene the meeting of the nomination committee to review the qualifications of the candidates on the criteria for directors and senior management;
- (6) one to two months prior to the election of new directors and engagement of new senior management, proposals and relevant information of the candidates for directors and new senior management shall be submitted to the board of directors;
- (7) to complete other follow-up work according to the decision and feedback from the board of directors.

CHAPTER V MEETING PROCEDURES

Article 14 The nomination committee shall hold meetings from time to time according to the needs of the Company. All members shall be notified three days prior to the meeting. The meeting shall be presided over by the chairperson. If the chairperson is unable to attend the meeting, he/she may appoint another member (who shall be an independent non-executive director) to preside over the meeting. If the chairperson neither performs his/her duties nor designates another member to perform his/her duties on his/her behalf, any member may report the relevant situation to the board of directors of the Company, and the board of directors of the Company shall designate a member to perform the duties of the chairperson.

Article 15 The quorum of a nomination committee meeting shall be two-thirds of members. Each member shall have one vote. Resolutions made at the meeting must be passed by more than half of all members.

A meeting of the nomination committee may be held by way of circulating a written resolution. Written resolutions shall be dispatched by facsimile, courier or by hand or otherwise to all members. After the members have voted on the resolution, the original resolution shall be mailed back to the Company for filing. A proposal signed by consenting members satisfying the threshold hereunder shall become a resolution of the committee.

Article 16 The nomination committee shall vote by a show of hands or by a poll. Meetings may also be convened by voting through communication.

Members of the nomination committee may attend the meeting in person or appoint other members in writing to attend the meeting and exercise voting rights on their behalf. If a member of the nomination committee authorizes another member to attend the meeting and exercise voting rights on his/her behalf, he/she shall submit a power of attorney to the chairperson of the meeting, which shall specify the scope of authorization. The power of attorney shall be delivered to the chairperson of the meeting no later than the time of voting at the meeting.

Article 17 The nomination committee may invite directors, supervisors or other senior management of the Company to attend its meetings where necessary.

Article 18 If necessary, the nomination committee may engage an intermediary institution to provide professional opinions on its decision at the costs 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 the provisions of the relevant laws and regulations, the stock exchange where the shares of the Company are listed, the Articles of Association and these rules of procedures.

Article 20 The nomination committee shall keep meeting minutes, which shall record the matters considered and resolutions passed at the meetings in sufficient detail, including any doubts or objections raised by members. The draft and final versions of the meeting minutes shall be sent to all committee members within a reasonable time after the meeting, with the draft for members to express their opinions and the final version for record purposes. Each member shall review and confirm the meeting minutes, and the members attending the meeting shall sign the meeting minutes. The meeting minutes shall be kept by the secretary of the board of directors of the Company.

If a member has any comments or objections regarding the meeting minutes, they may choose not to sign but should submit their written opinions to the secretary of the board of directors within the stipulated timeframe. If the errors or omissions in the records are confirmed to be true, the secretary of the board of directors shall make corrections, and the member shall sign the revised meeting minutes.

Article 21 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 22 Members present at a meeting shall keep confidential of all matters discussed at the meeting and shall not disclose such information without authorization.

CHAPTER VI ABSTENTION FROM VOTING

Article 23 If a member of the nomination committee has a direct or indirect interest in the subject matter discussed at the meeting, such member shall abstain from voting on the relevant resolution.

Where the number of members attending the meeting is less than the quorum specified in these rules of procedures 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 of the Company.

CHAPTER VII SUPPLEMENTARY PROVISIONS

Article 24 These rules of procedures and any amendments hereto shall be 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 procedures shall be implemented in accordance with the provisions of the relevant laws and regulations of the State, the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association. If these rules of procedures contravene any laws and regulations promulgated by the government of the State from time to time, the listing rules of the stock exchange where the shares of the Company are listed or the Articles of Association as amended through lawful procedures, the relevant laws and regulations of the State, the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association shall prevail. These rules of procedures shall be immediately revised accordingly and submitted to the board of directors for consideration and approval.

Article 26 These rules of procedures shall be interpreted by the board of directors of the Company.

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