

**YANGZHOU GUANGLING DISTRICT TAIHE RURAL  
MICRO-FINANCE COMPANY LIMITED**  
**揚州市廣陵區泰和農村小額貸款股份有限公司**

**Terms of reference of  
the Nomination Committee of the Board of Directors**

**Yangzhou Guangling District Taihe  
Rural Micro-finance Company Limited**  
(the “Company”)

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**Terms of Reference of the Nomination Committee (the “Committee”)  
of the Board of Directors (the “Board”) of the Company**

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**1. Constitution**

1.1. The Committee is established pursuant to a resolution passed by the Board at its meeting held on 31 January 2015 with its responsibilities:

- (a) to review the structure, size and composition (including but not limited to the perspectives skills, knowledge, experience and diversity) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy; A15A5.2(a)
- (b) to identify 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 of the Company; A15A5.2(b)
- (c) to make recommendations to the Board on the appointment or re-appointment of directors of the Company and succession planning for directors of the Company, in particular the chairman and the chief executive; A15A5.2(d)
- (d) to assess the independence of independent non-executive directors of the Company; and A15A5.2(c)
- (e) to review the board diversity policy and nomination policy of the Company regularly.

## 2. Membership

A15A5.5

- 2.1. Members of the Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members, a majority of whom shall be independent non-executive directors. A15A5.1
- 2.2. The chairman of the Committee shall be appointed by the Board and has to be the chairman of the Board or an independent non-executive director of the Company. A15A5.1
- 2.3. The appointment of the members of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee.
- 2.4 The secretary of the Company shall act as the secretary of the Committee.
- 2.5 The constitution of the Committee shall comply with the requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as amended from time to time.
- 2.6 The term of office of the Committee shall be consistent with that of the Board. Each member of the Committee shall be eligible for re-election upon completion of his term of office. During his term of office, if any committee member ceases to be a director, or any committee member as an independent non-executive director ceases to have the independence as required under the Articles of Association and the Listing Rules, his membership in the Committee shall lapse automatically. A member of the Committee may submit his resignation report in writing to the Board prior to the expiry of his term of office to resign from his existing position. The resignation report shall contain such reasons for resignation and matters which require attention of the Board as necessary. Upon the loss of qualification or permission to resign, the position(s) vacated by such member(s) shall be filled by the Board according to the relevant laws, regulations, normative documents and provisions of Articles 2.1 to 2.5 in the above. A member of the Committee shall not, before the expiry of his term of office, be relieved of his duties without cause except for the situations specified in the Company Law, Articles of Association or Listing Rules.

### **3. Frequency and proceedings of meetings**

3.1. The Committee should meet at least once per year. The Chairman may convene additional meetings at his discretion.

#### 3.2. Notice of Meeting

- (a) Unless otherwise agreed by all the Committee members, a meeting shall be convened by at least fourteen (14) days' notice.
- (b) A Committee member may at any time summon a Committee meeting.
- (c) Notice shall be given to each Committee member in person orally or in writing or by telephone or by facsimile transmission or email at numbers or addresses from time to time notified to the secretary of the Company by such Committee member or in such other manner as the Committee members may from time to time determine.
- (d) Any notice given orally shall be followed by confirmation in writing as soon as practicable before the meeting.
- (e) Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting.

3.3. The quorum of the Committee meeting shall be two members of the Committee.

3.4. Other Board members shall also have the right of attendance.

### **4. Alternate Committee members**

A Committee member may not appoint any alternate.

## **5. Authorities of the Committee**

5.1. The Committee has the authority delegated to it from the Board to deal with the matters set out in clause 1.1 above.

5.2. The Committee shall be provided with sufficient resources to perform all of its duties. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities. A15A5.4

## **6. Minutes of meetings**

Full minutes of Committee meeting shall be kept by the secretary of the Company and should be open for inspection at any reasonable time on reasonable notice by any director of the Company. The secretary of the Company shall circulate the draft and final version of minutes of Committee meetings to all the Committee members for their comments and records within a reasonable time after the meeting. A15A1.4  
A15A1.5

## **7. Written resolutions**

Written resolutions may be passed by all Committee members in writing. This provision is without prejudice to any requirement under the Listing Rules for a Board or Committee meeting to be held.

## **8. Reporting procedures**

The Committee should report back to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements). A15D2.2

## **9. Continuing application of the articles of association of the Company**

The articles of association of the Company regulating the meetings and proceedings of the directors of the Company so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

## **10. Powers of the Board**

The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including Appendix 15 (Corporate Governance Code and Corporate Governance Report) to the Listing Rules), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.

## **11. Nomination Policy**

11.1 The provisions set out in the above paragraphs 1.1(a) to (c) are regarded as the key nomination criteria and principles of the Company for the nomination of directors, and these provisions constitute the nomination policy of the Company.

## **12. Nomination Procedures**

### **12.1 Appointment of directors**

- (1) The Committee identifies individual(s) suitably qualified to become Board members, having due regard to the board diversity policy and the nomination policy of the Company, and assesses the independence of the proposed independent non-executive director(s) as appropriate.
- (2) The Committee makes recommendation(s) to the Board.
- (3) The Board considers the individual(s) recommended by the Committee, having due regard to the board diversity policy and the nomination policy of the Company.
- (4) The Board confirms the appointment of the individual(s) as director(s) or recommends the individual(s) to stand for election at a general meeting. Individual(s) appointed by the Board to fill a casual vacancy or as an addition to the Board will be subject to re-election by shareholders of the Company (the “Shareholders”) at the next annual general meeting after initial appointment in accordance with the Company’s articles of association.
- (5) The Shareholders approve the election of individual(s), who stand(s) for election at general meeting, as director(s).

## 12.2 Re-appointment of directors

- (1) The Committee considers each retiring director, having due regard to the board diversity policy and the nomination policy of the Company, and assesses the independence of each retiring independent non-executive director.
- (2) The Committee makes recommendation(s) to the Board.
- (3) The Board considers each retiring director recommended by the Committee, having due regard to the board diversity policy and the nomination policy of the Company.
- (4) The Board recommends the retiring directors to stand for re-election at the annual general meeting in accordance with the Company's articles of association.
- (5) The Shareholders approve the re-election of directors at the annual general meeting.

12.3 The Board shall have the ultimate responsibility for all matters relating to the selection and appointment of directors.

## **13. Language**

If there is any inconsistency between the English and Chinese versions of these terms of reference, the English version shall prevail.