

SHENZHEN HIPINE PRECISION TECHNOLOGY CO., LTD.

深圳西普尼精密科技股份有限公司

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

(Stock Code: 2583)

Terms of Reference of the Nomination Committee of the Board

Chapter 1 General Provisions

Article 1 For the purpose of standardizing the selection process for directors and officers of Shenzhen Hipine Precision Technology Co., Ltd. (the “**Company**”), optimizing the composition of the Board (the “**Board**”) of Directors (the “**Directors**”) of Shenzhen Hipine Precision Technology Co., Ltd. (the “**Company**”) and officers, and improving the corporate governance structure of the Company, the Board Nomination Committee (the “**Nomination Committee**”) is hereby established and these Terms of Reference are formulated in accordance with the Company Law of the People's Republic of China (the “**Company Law**”), the Articles of Association of Shenzhen Hipine Precision Technology Co., Ltd. (the “**Articles of Association**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), as well as the Corporate Governance Code set forth in Appendix C1 to the Hong Kong Listing Rules and other relevant provisions.

Article 2 The Nomination Committee is a specialized committee established by the Board of Directors. It is primarily responsible for selecting and making recommendations regarding candidates, selection criteria, and procedures for the Company's Directors (including Independent Non-Executive Directors) and officers.

The “officers” in these Terms of Reference refers to the General Manager, Deputy General Manager, Financial Officer, the Secretary to the Board of Directors, and any other person explicitly appointed as a member of officers by a resolution of the Board of Directors.

Chapter 2 Composition

Article 3 The Nomination Committee shall comprise a minimum of three Directors, including at least one member of a different gender, with the majority being Independent Non-Executive Directors.

Article 4 Members of the Nomination Committee shall be nominated by the Chairman of the Board, more than half of the Independent Non-Executive Directors, or one-third of all Directors, and elected by the Board of Directors.

Article 5 The Nomination Committee shall have one Chairman (Convener), who shall be the Chairman of the Board of Directors or an Independent Non-Executive Director, responsible for presiding over the Committee's work. The Chairman (Convener) shall be elected from among the members of the Committee and appointed upon approval by the Board of Directors.

Article 6 The term of office of the Nomination Committee shall be the same as that of the Board of Directors. Members may be re-elected upon expiration of their term. If any member of the Nomination Committee ceases to be a Director of the Company or, in the case of a member required to be an Independent Non-Executive Director, no longer meets the independence requirements under the Hong Kong Listing Rules, such member shall automatically be disqualified from the Committee. The Committee shall thereafter fill the vacancy in accordance with the provisions of Articles 3 to 5 above. Any member of the Nomination Committee may submit a written resignation to the Board of Directors prior to the expiration of their term, thereby resigning from the Committee position. The resignation report shall make necessary explanations regarding the reasons for resignation and any matters requiring attention from the Company's Board of Directors.

Article 7 If the composition of the Nomination Committee fails to comply with the provisions of these Terms of Reference, the Board of Directors shall immediately issue an announcement in accordance with the requirements of the Hong Kong Listing Rules to disclose the details and reasons for such non-compliance. The Board of Directors shall, within three months from the date of such non-compliance, remedy it in accordance with these Terms of Reference. The term of any newly appointed member of the Committee shall expire at the end of the term of their directorship.

Chapter 3 Duties and Authority

Article 8 The Nomination Committee shall disclose its functions and powers on the website of The Stock Exchange of Hong Kong Limited and the Company's website, explaining its role and the authority delegated by the Board of Directors. The Nomination Committee shall exercise the following functions and powers:

- (1) To make recommendations to the Board of Directors regarding the size and composition of the Board of Directors based on the Company's operational activities, asset scale, and shareholding structure; assist the board in maintaining a board skills matrix, and make recommendations on any proposed changes to the board to complement the Company's corporate strategy; when considering the composition of the Board of Directors, ensure a balanced mix of executive and non-executive directors (including independent directors), and promote diversity in multiple dimensions, including but not limited to gender, age, cultural and educational background, and professional experience; formulate and review the Diversity Policy of the Board of Directors;
- (2) To study the selection criteria and procedures for directors and officers, and make recommendations to the Board of Directors;
- (3) To conduct broad searches for qualified candidates for the positions of director and officer;
- (4) To assess the independence of Independent Non-Executive Directors;

- (5) To identify individuals suitably qualified to become board members, review and make recommendations to the Board on the selection of candidates nominated to be appointed as directors and officers;
- (6) To review and make recommendations on other officer candidates to be appointed by the Board of Directors;
- (7) To review, at least annually, the structure, size, and composition of the Board of Directors (including skills, knowledge, and experience), assist the Board of Directors in preparing a skills matrix, and make recommendations to the Board of Directors on any proposed changes to align with the Company's strategy. To evaluate the structure of the committees under the Board of Directors and recommend directors to serve as members of relevant committees, and submit such recommendations to the Board for approval;
- (8) To make recommendations to the Board of Directors regarding the appointment or reappointment of directors, as well as succession plans for directors (particularly the Chairman and the Chief Executive Officer);
- (9) To support the Company's regular evaluation of the Board's performance, including evaluating the time commitment and contribution of each member of the Board of Directors, as well as their ability to effectively fulfill their duties; and
- (10) Other matters authorized by national laws and regulations, the Hong Kong Listing Rules, these Terms of Reference, and the Board of Directors.

Article 9 The Nomination Committee is accountable to the Board of Directors. Proposals put forward by the Committee shall be submitted to the Board of Directors for review and decision. Shareholders shall respect the recommendations of the Nomination Committee in the absence of sufficient justification or reliable evidence to the contrary. Otherwise, they may not propose alternative candidates for director or officer positions.

Chapter 4 Decision-Making Procedures

Article 10 The Nomination Committee shall, in accordance with relevant laws and regulations, the Hong Kong Listing Rules, and the Company's Articles of Association, and based on the actual circumstances of the Company, study the eligibility criteria, selection procedures, and terms of office for directors and officers of the Company. Upon forming a resolution, the Nomination Committee shall record it for filing, submit it to the Board of Directors for approval, and ensure its implementation.

Article 11 The procedures for selecting directors and officers are as follows:

- (1) The Nomination Committee shall actively communicate with the Company's major shareholders and relevant internal departments to assess the need for new directors and officers, and shall document the findings in writing;

- (2) The Nomination Committee may conduct broad searches for candidates for director and officer positions within the Company, its holding (or participating) enterprises, and the talent market;
- (3) The Nomination Committee shall collect information regarding the professional background, academic qualifications, professional titles, detailed work history, and all part-time positions held by preliminary candidates, and document the findings in writing;
- (4) The consent of the nominee to the nomination shall be obtained; otherwise, such person may not be considered as a candidate for directors or officers;
- (5) A meeting of the Nomination Committee shall be convened to review the qualifications of preliminary candidates against the eligibility criteria for directors and officers;
- (6) The Nomination Committee shall submit recommendations and relevant materials regarding candidates for directors and newly appointed officers to the Board of Directors within a reasonable time prior to the election of new directors or the appointment of new officers; and
- (7) The Nomination Committee shall carry out other follow-up work based on decisions and feedback from the Board of Directors.

Article 12 The Chairman of the Nomination Committee or, in their absence, another member of the Nomination Committee (who must be an Independent Non-Executive Director) shall attend the annual Shareholders' Meeting of the Company and respond to shareholders' questions regarding the Nomination Committee's activities and responsibilities.

Chapter 5 Rules of Proceedings

Article 13 Regular meetings of the Nomination Committee shall be held at least once a year. A meeting of the Nomination Committee may be convened under any of the following circumstances. The Nomination Committee shall notify all members at least three days prior to the meeting, unless all members unanimously agree to waive the advance notice requirement. Meetings shall be chaired by the Chairman (Convener). If the Chairman is unable to attend, he may authorize another member (who must be an Independent Non-Executive Director) to preside over the meeting:

- (1) When the Board of Directors deems it necessary;
- (2) When the Chairman of the Nomination Committee deems it necessary;
- (3) When proposed by two or more Members.

Article 14 A meeting of the Nomination Committee may only be held with the attendance of at least 2/3 of its members. Each member shall have one vote. Resolutions adopted at the meeting must be approved by a majority of all members.

Article 15 Meetings of the Nomination Committee shall be conducted by a show of hands. Extraordinary meetings may be held by means of communication-based voting, provided that members are ensured full opportunity to express their opinions.

Article 16 When necessary, the Nomination Committee may invite company directors, supervisors, other officers, and external advisors to attend its meetings.

Article 17 If necessary, the Nomination Committee may engage external professional institutions to provide expert advice to support its decision-making, with the associated costs borne by the company.

Article 18 The procedures for convening meetings, the voting methods, and the resolutions adopted by the Nomination Committee must comply with applicable national laws and regulations, the Hong Kong Listing Rules, the Company's Articles of Association, and these Terms of Reference.

Article 19 Meetings of the Nomination Committee shall be recorded in minutes. Members present and the meeting recorder shall sign the minutes, which shall be kept by the Office of the Board of Directors.

Article 20 Resolutions and voting results adopted at meetings of the Nomination Committee shall be reported to the Company's Board of Directors in writing for deliberation. If the Board of Directors intends to propose a resolution at a Shareholders' Meeting for the election of an individual as an Independent Non-Executive Director, the circular and/or explanatory statement to shareholders accompanying the notice of such meeting shall include the following:

- (1) The process used to identify the individual, the reasons for the Board's recommendation of their election, and the basis for determining that the individual is independent;
- (2) If the Independent Non-Executive Director is to serve as a director of a seventh (or more) overseas listed company, the reasons for the Board's belief that the individual can still devote sufficient time to the Board;
- (3) The Independent Non-Executive Director must not concurrently hold independent director positions in more than three domestic listed companies in China;
- (4) The perspectives, skills, and experience that the individual would contribute to the Board of Directors; and

- (5) How the individual would contribute to the diversity of the composition of the Board of Directors.

Article 21 All members present at the meeting shall be bound by a confidentiality obligation with respect to the matters discussed and shall not disclose any related information without authorization.

Chapter 6 Recusal System

Article 22 Any member of the Nomination Committee shall disclose the nature and extent of any direct or indirect interest in a matter discussed at a meeting as soon as possible if such interest exists through the member themselves, their immediate family members, or other enterprises controlled by the member or their immediate family members.

Article 23 Under the circumstances mentioned in the preceding article, the member with a conflict of interest shall provide a detailed explanation of the relevant situation at the meeting of the Nomination Committee and explicitly state their recusal from voting. However, if the other members of the Nomination Committee unanimously determine through discussion that such conflict of interest will not have a material impact on the matter to be voted upon, the member with a conflict of interest may participate in the voting.

If the Company's Board of Directors considers it inappropriate for the member with a conflict of interest to participate in the voting as described in the preceding paragraph, it may annul the voting result of the relevant proposal and require members free from such conflicts of interest to conduct the vote on such proposal.

Article 24 Meetings of the Nomination Committee shall deliberate and pass resolutions on proposals without counting the member with a conflict of interest toward the quorum. If, after the recusal of the member with a conflict of interest, the Nomination Committee lacks the minimum quorum required to hold a meeting, all members (including the member with a conflict) shall resolve on procedural matters, such as submitting the relevant proposal to the Company's Board of Directors for deliberation. The Board of Directors shall then review such proposal.

Article 25 The meeting minutes and resolutions of the Nomination Committee shall clearly indicate that the member with a conflict of interest was not counted in the quorum and did not participate in the voting.

Chapter 7 Supplementary Provisions

Article 26 In these Terms of Reference, the term "or above" shall be inclusive of the number itself, while the term "over" shall be exclusive of the number itself.

Article 27 These Terms of Reference shall become effective and be implemented from the date of the Company's initial public offering of H Shares and their listing and trading on the Main Board of The Stock Exchange of Hong Kong Limited, following their approval by the Board of Directors.

Article 28 Matters not covered in these Terms of Reference shall be governed by the relevant national laws, regulations, normative documents, the regulatory rules of the stock exchange on which the Company's shares are listed, and the Company's Articles of Association. In case of any conflict between these Terms of Reference and any subsequently promulgated national laws, regulations, normative documents, relevant regulatory rules of the stock exchange on which the Company's shares are listed, or the Company's Articles of Association as amended through due procedures, the provisions of the aforementioned national laws, regulations, normative documents, regulatory rules, and the Company's Articles of Association shall prevail. The Board of Directors shall promptly amend these Terms of Reference accordingly.

Article 29 The authority to interpret these Terms of Reference resides with the Company's Board of Directors.

The Terms of Reference is written in Chinese. If there is any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.