

FY FINANCIAL (SHENZHEN) CO., LTD.

富銀融資租賃(深圳)股份有限公司

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

(Stock Code: 8452)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE UNDER THE BOARD OF DIRECTORS

Chapter 1 Members

Article 1 The nomination committee (the “**Nomination Committee**”) of FY Financial (Shenzhen) Co., Ltd. (the “**Company**”) should be established by the board of directors of the Company (the “**Board**”) and should comprise a minimum of three directors. It should comprise a majority of independent non-executive directors.

Article 2 The Nomination Committee must be chaired by the chairman or chairlady of the Board or an independent non-executive director within the Nomination Committee and appointed by the Board.

Article 3 The terms of appointment to Nomination Committee members should be in line with those of the Board members. The Nomination Committee members may serve consecutive terms if re-elected upon the expiry of the current term of office.

Chapter 2 Secretary

Article 4 The company secretary or any joint company secretary of the Company or his/her delegate shall act as the secretary of the Nomination Committee.

Article 5 The Nomination Committee may from time to time appoint any other person with appropriate qualification and experience to act as the secretary of the Nomination Committee.

Chapter 3 Meeting

Article 6 Any member of the Nomination Committee can call for a meeting anytime when it is necessary.

Article 7 Notice of at least 14 days should be given for any meeting, unless such notification is waived by all members of the Nomination Committee. Notwithstanding the notification period, the attendance of the member of the Nomination Committee at the meeting would be deemed to be treated as the waiver of the required notification requirement. If a follow-up meeting takes place within 14 days after the meeting, then no notification is required for such follow-up meeting.

Article 8 The quorum necessary for the transaction of business of the Nomination Committee shall be at least two thirds of the members of the Nomination Committee, one of whom must be an independent non-executive director.

Article 9 Meeting can be attended in person or via electronic means including telephone or videoconferencing. The members of the Nomination Committee can attend the meeting via telephone or any similar communication device (all persons attending such meeting should be able to hear from such member via such communication device).

Article 10 Resolutions of the Nomination Committee shall be passed by more than half of the committee members.

Article 11 The resolution passed and signed by all members of Nomination Committee is valid, and the validity is same as any resolution passed in the meeting held.

Article 12 Full minutes of Nomination Committee meeting should be kept by a duly appointed secretary of the Nomination Committee and be available for review by the directors. Draft and final versions of minutes of the meeting should be sent to all committee members for their comment and records within a reasonable time after the meeting.

Chapter 4 Meeting attendance

Article 13 Upon the invitation from the Nomination Committee, the chairman or chairlady of the Board (if he/she is not a committee member) and/or the general manager or chief executive officer, external advisor and the other persons can be invited to attend all or part of any meeting.

Article 14 Only the members of the Nomination Committee can vote in the meeting.

Chapter 5 Annual General Meeting

Article 15 The chairman or chairlady of Nomination Committee or (if absent) the other member of the Nomination Committee (who must be an independent non-executive director) should attend the annual general meeting of the Company and handle the shareholders' enquiry on the activities and responsibilities related to the Nomination Committee.

Chapter 6 Duties and Powers

Article 16 The Nomination Committee shall have the following duties and powers:

- (1) to review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (2) 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;
- (3) to assess the independence of independent non-executive directors;
- (4) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors (in particular the chairman or chairlady of the Board and the chief executive);
- (5) to review the policy on Board diversity (the "**Board Diversity Policy**") and any measurable objectives for implementing such Board Diversity Policy as may be adopted by the Board from time to time and to review the progress on achieving the objectives; and to make disclosure of its progress and its review results in the annual report of the Company annually; and
- (6) to where the Board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe he/she should be elected and the reasons why they consider the individual to be independent.

Chapter 7 Reporting

Article 17 The Nomination Committee shall report to the Board after each of its meetings.

Chapter 8 Authorisation

Article 18 The Nomination Committee is authorised by the Board to request from employees of the Company to provide any information within the scope of its duties.

Article 19 The Nomination Committee should have access to independent professional advice at the Company's expense, and to secure the independent party possessing the relevant experience, profession and knowledge to attend the meeting if necessary, to perform its responsibilities as a member of the Nomination Committee.

Remark: The independent professional advice can be sought via the chief financial officer or the company secretary or a joint company secretary.

Article 20 The Nomination Committee should be provided with sufficient resources to perform its duties.