

Terms of Reference of the Rule of Law and Compliance Committee of the Board of Directors

Chapter 1 General Provisions

- Article 1** To strengthen the decision-making function of the Board of Directors of Capinfo Company Limited (hereinafter referred to as the “Company”), enhance the effectiveness of compliance management and control of the Company by improving the level of corporate governance in accordance with the law, further improve the corporate governance structure of the Company and ensure the standardized operation and sustainable and healthy development of the Company, the Company has established the Rule of Law and Compliance Committee of the Board of Directors (hereinafter referred to as the “Committee”) and formulated these Terms of Reference in accordance with the Company Law of the People’s Republic of China, the Articles of Association of Capinfo Company Limited and the Rules of Procedure for Meetings of the Board of Directors.
- Article 2** The Committee is a subordinate committee under the Board and shall be accountable to the Board of Directors, and is subject to the supervision and management of the Board of Directors in the performance of its duties. The Committee is primarily responsible for promoting the construction of the rule of law and guiding the compliance management of the Company under the authority of the Board of Directors.
- Article 3** The formation and operation of the Committee shall follow the principles below:
- (1) **Independence and Objectivity.** The Committee shall remain independent and objective, free from interference by others, make independent and objective judgments, and express opinions clearly.
 - (2) **Professionalism and efficiency.** Members of the Committee shall make full use of their experience and professionalism to ensure the timeliness and effectiveness of their work.
 - (3) **Diligence and responsibility.** Members of the Committee shall be faithful, honest and diligent in discharging their duties in accordance with the Articles of Association, the Rules of Procedure of the Board of Directors and these Rules of Reference and shall be accountable to the Board of Directors.

Chapter 2 Composition of the Committee

Article 4 The Committee shall comprise three directors. The members shall possess necessary legal knowledge and be familiar with the management of the Company and shall be nominated by the Chairman of the Board of Directors and elected by the Board of Directors.

Article 5 The Committee shall have a chairman who shall be elected by the Committee and be responsible for convening and presiding over committee meetings.

Article 6 The term of office of the members of the Committee shall be the same as that of the Board of Directors. A member may serve consecutive terms if re-elected upon expiry of his term. In the event that a member of the Committee ceases to be a director during his term of membership on the Committee, his membership on the Committee shall lapse automatically, and the vacancy shall be filled in accordance with Article 4 and Article 5 of these Terms of Reference.

Article 7 The office under the Committee is mainly responsible for liaising day-to-day work, taking up specific matters entrusted to it by the Committee and supervising its work. The responsibilities of the office are undertaken by the legal compliance department. The office of the Board of Directors coordinates relevant affairs.

Chapter 3 Duties and Powers

Article 8 The main duties of the Committee shall include:

- (1) to understand the development and operation of the legal and compliance system of the Company;
- (2) to supervise and evaluate the legal and compliance management of the Company, and check the Company's compliance with laws and regulations;
- (3) to review the governance structure and duty plan for the rule of law, annual legal and compliance work plan and progress report of the Company;
- (4) other matters required by the Articles of Association or authorized by the Board of Directors.

Article 9 The Board of Directors of the Company shall have the power to adjust, revoke or change the terms of reference of the Committee.

Article 10 The Committee may, if necessary, engage an external professional body to assist it before exercising its functions and may require the attendance of relevant personnel from the external professional body at its meetings. A confidentiality agreement shall be entered into with the external professional body at the expense of the Company.

Chapter 4 Working Procedures

Article 11 The Committee shall convene meetings in accordance with the regulations to consider and review subject matters and to vote on them to form written resolutions.

Article 12 Members of the Committee should take the initiative to understand and participate in important matters of the Company by listening to or reading reports, or visits, etc., so as to provide an important basis for them to perform their duties.

Article 13 The Commission shall oversee the completion of legal and compliance work and evaluate the quality of work by organising special inspection teams and engaging external professional organisations to carry out on-site inspections.

Article 14 The Committee shall report to the Board of Directors on a regular or occasional basis on the deliberations and reviews of relevant important matters, as well as significant legal and compliance risk events identified, etc. A thematic report on the performance of the duties of the Committee shall be made to the Board of Directors annually.

Article 15 The office of the Committee shall coordinate with the relevant departments and submit relevant matters within the duties and power of the Committee to the Committee for consideration and review as required, and provide relevant information to the Committee in a timely, complete and true manner in conjunction with relevant departments.

Article 16 The office of the Board shall be responsible for service support, including the preparation of meeting documents, meeting arrangements, notice of meetings, minutes of meeting and filing of information.

Article 17 The office of the Committee is responsible for implementing the requests of the Committee for meetings and supervising the resolutions of the Committee.

Chapter 5 Rules of Procedures

Article 18 Meetings of the Committee include regular meetings and extraordinary meetings. Regular meetings shall be held once every year; and extraordinary meetings shall be convened upon proposal by members of the Committee and with the consent of the chairman of the Committee.

- Article 19** Notice of the meeting shall be sent to all members and those invited to attend the meeting in writing, by fax or by mail 10 days before the meeting (3 days before an extraordinary meeting). The notice of the meeting shall include the time and venue of the meeting, participants, manner in which the meeting is to be held, date, agenda, subject matter, relevant materials and the date of which the notice is given.
- Article 20** A member may, with the consent of the chairman of the Committee, adjourn the meeting or the consideration of the matter if, in the opinion of the member, the information is insufficient.
- Article 21** Meetings shall be convened and chaired by the chairman of the Committee and shall be held in the presence of at least two-thirds of the members of the Committee.
- Article 22** Members of the Committee shall attend the meetings of the Committee in person, and if they are unable to attend for any reason, they may authorise other members to attend on their behalf. The written power of attorney shall state the name of the proxy, the matter of the proxy, the authority and the effective period, and shall be signed by the authorizing member. A member who is unable to attend a meeting and has not appointed a proxy to attend the meeting shall be deemed to have abstained from voting.
- Article 23** Under special circumstances, meetings of the Committee may be held through signing or means of communication. If a meeting is held through signing or means of communication, no delegated authority shall be given.
- Article 24** Each member of the Committee shall have the right to one vote. Matters that needs to be resolved by the Committee must be passed by two-thirds or more of all the members of the Committee. Where a member expresses an objection to a matter voted upon, he/she shall state the reasons for his/her objection and shall record them clearly in the minutes of the meeting.
- Article 25** The Committee may invite other directors, supervisors, senior management and relevant personnel to attend the meetings as required for its work. Attendees shall not have the right to vote and shall be under an obligation of confidentiality in respect of the matters discussed at the meetings and shall not disclose such information without authorization.

Article 26 The voting results of the meeting of the Committee shall be presented in the form of written resolutions and minutes of the meetings and submitted to the office of the Board of Directors of the Company for record after being signed by the member present at the meeting. The content shall include at least the date and venue of the meeting, chairperson of the meeting, attendance and delegated attendance, attendees, agenda of the meeting, key points, and voting method and results of the resolutions.

Article 27 The office of the Board of Directors shall designate a person to be responsible for the filing of records. Resolutions, minutes of meetings and meeting materials shall be filed within three months after the meeting and shall be retained for a permanent period.

Chapter 6 Supplementary Provisions

Article 28 Any matter not covered by these Terms of Reference shall be implemented pursuant to relevant laws, regulations and the Articles of Association after the consideration and approval of the Board of Directors.

Article 29 This Terms of Reference shall come into effect on the date of publication and construed by the office of the Committee.