

**XD Inc.**

**心动有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 2400)**

**(the “Company”)**

## **NOMINATION POLICY FOR DIRECTORSHIP**

### **A. Objective**

This nomination policy for directorship (this “**Policy**”) is supplemental to the terms of reference (the “**Terms of Reference**”) for the Nomination Committee (the “**Nomination Committee**”) of the board of directors of the Company (the “**Board**”).

This Policy aims at setting out the process for the nomination of a candidate for the Company’s directorship, the processes and criteria to be adopted by the Nomination Committee in selecting and recommending a candidate for directorship in the Company as well as the subsequent procedures for considering and (if thought fit) approving the nomination by the Board and (as appropriate) the Company’s shareholders.

### **B. Nomination by Director or Shareholder of the Company**

In light of Article 16 of the Company’s Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.

The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall not be less than two. Subject to the provisions of these Articles and the Companies Law, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election.

The Company may by ordinary resolution at any time remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed.

## **C. Information and Documents from Candidate**

The nominated candidate shall provide the following to the Nomination Committee for its consideration: (a) a curriculum vitae containing his/her relevant personal information and contact details, academic and (if applicable) professional qualifications, work experience, employment history, current directorships (if any) and other information required to be disclosed under Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time (the “**Listing Rules**”); (b) his/her written consent to be elected as a director of the Company; (c) other information, declarations, undertakings and/or confirmations as required by the Listing Rules; (d) other written consents (including without limitation his/her written consent to the publication of his/her personal data so provided) and other information as reasonably required by the Nomination Committee; and (f) if he/she is nominated to be appointed as an independent non-executive director of the Company, an independence confirmation and any other documents as required by the Listing Rules. The Nomination Committee may request the nominated candidate to provide additional information and documents as the Nomination Committee may consider appropriate.

## **D. Nomination Committee’s Role and its Selection Process and Criteria**

The Nomination Committee shall review the said information and documents provided by the nominated candidate and conduct the following process (in accordance with the following criteria) with a view to assessing and evaluating whether such candidate is suitably qualified to be appointed as a director of the Company before making recommendations to the Board:

1. to assess such candidate’s qualifications, skills, knowledge, ability and experience and also potential time commitment and attention to perform director’s duties under common law, legislation and applicable rules, regulations and guidance (including without limitation the Listing Rules and the “**Guidance for Boards and Directors**” published by the Stock Exchange (the “**Guidance for Boards**”)), with reference to the corresponding professional knowledge and industry experience which may be relevant to the Company and also the potential contributions that such candidate could bring to the Board (including potential contributions in terms of qualifications, skills, experience, independence and gender diversity);
2. in addition and without prejudice to Paragraph 1 above, to assess such candidate’s personal ethics, integrity and reputation (including without limitation to conduct appropriate background checks and other verification processes against such candidate);
3. with reference to the Company’s Board diversity policy (as adopted and amended by the Board from time to time), to take into account the then current structure, size and composition (including without limitation the balancing of the skills, knowledge, ability, experience and diversity of perspectives appropriate to the requirements of the Company’s business) of the Board and the Company’s corporate strategy, with due regard for the benefits of the appropriate diversity of the Board and also such candidate’s potential contributions thereto;

4. to consider board succession planning considerations and the long-term needs of the Company;
5. in case of a candidate for an independent non-executive director of the Company, to assess: (i) the independence of such candidate with reference to, among other things, the independence criteria as set out in Rule 3.13 of the Listing Rules; and (ii) the guidance and requirements relating to independent non-executive directors set out in Code Provision A.5.5 of Appendix 14 to the Listing Rules and in the Guidance for Boards; and
6. to consider any other factors and matters as the Nomination Committee may consider appropriate.

## **E. Board's Decision**

The Board shall consider the recommendations from the Nomination Committee and make a decision as to whether the nominated candidate shall be eligible to be appointed as a director of the Company.

## **F. Review and Disclosure of this Policy**

The Nomination Committee shall continuously monitor this Policy (as appropriate) to ensure the effectiveness of this Policy and that this Policy will remain relevant to the Company's needs and reflect both the then current regulatory requirements and good corporate governance practice, and will discuss with each other any proposed changes to the then existing Policy and then recommend such proposed changes to the Board for consideration.

According to Paragraph L of Appendix 14 to the Listing Rules, the Company will disclose this Policy and the progress made towards achieving this Policy's objective during the relevant period in the Company's annual corporate governance report.

*This document was prepared in English language. In case of any inconsistency between the Chinese version and the English version, the English version shall prevail.*