

## **Nanhua Futures Co., Ltd.**

### **PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR**

Shareholders of Nanhua Futures Co., Ltd. (the “**Company**”) shall nominate candidates for directors in accordance with the following article of the Articles of Association of Nanhua Futures Co., Ltd. applicable after the offering and listing of the Company’s H Shares, and submit such nominations for consideration at general meetings (including annual general meetings and extraordinary general meetings):

1. Article 86: The nomination methods and procedures relating to candidate Directors (other than employee Directors) shall be as below:

(I) Candidates for non-independent Directors shall be nominated by the Board or by Shareholders of the Company holding individually or collectively more than one percent of the Shares of the Company. Following consideration and approval by the Board to form a proposal, such candidates shall be elected at the shareholders’ meeting;

(II) Independent Director candidates shall be nominated by the Board of the Company, and shareholders who, individually or aggregate, hold over 1% of the shares of the Company, and be elected at the shareholders’ meeting. Investors protection institutions established in accordance with the law may publicly request shareholders to entrust them with the exercise of nominating independent Directors on their behalf. Nominators of independent Directors shall obtain the consent of the nominee prior to any nomination. Nominators shall have a thorough understanding of the nominees’ professional background, educational qualifications, professional titles, detailed work experience, all part-time positions, and any adverse records such as material breaches of trust. They shall also express their opinion on whether the nominees meet the independence and other criteria for serving as an independent Director. Nominees shall make public statements confirming their compliance with the independence and other criteria for serving as an independent Director.