

# **Cryofocus Medtech (Shanghai) Co., Ltd.**

## **Terms of Reference for the Nomination Committee of the Board of Directors**

### **Chapter 1 General Provisions**

- Article 1 In order to further regulate the selection and appointment of Directors and senior management members of Cryofocus Medtech (Shanghai) Co., Ltd. (the “**Company**”), to improve the corporate governance structure of the Company, the Nomination Committee (the “**Nomination Committee**”) of the board of the Company (the “**Board**”) is established in accordance with the Company Law of the PRC (中華人民共和國公司法) (the “**Company Law**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Articles of Association with the following terms of reference (the “**Terms of Reference**”).
- Article 2 The Nomination Committee is a specialized committee established by the Board in accordance with a resolution of the Board, and is primarily responsible for discussing candidates, selection criteria and procedures of Directors and senior management members of the Company and making recommendations to the Board.
- Article 3 Directors and senior management members referred to in these Terms of Reference are as follows:
- (i) Directors: executive directors, non-executive directors and independent non-executive directors of the Company;
  - (ii) Senior management members: general manager, deputy general manager, chief finance officer of the Company, secretary of the Board;
  - (iii) other personnel that the Nomination Committee deems appropriate.

### **Chapter 2 Composition**

- Article 4 The Nomination Committee shall consist of three or more members, of which independent non-executive Directors shall account for the majority. Members of the Nomination Committee shall be nominated by the chairman of the Board, or more than one third of independent non-executive Directors, or more than one half of all Directors, and shall be elected and removed by a majority vote of all Directors of the Board.
- Article 5 The Nomination Committee shall have a chairman (the “**Chairman**”), who shall be the chairman of the Board or an independent non-executive Director, in charge of presiding over the work of the Nomination Committee. The Chairman shall be selected and removed by a majority vote of all Directors of the Board.

Article 6 The Nomination Committee shall have a term of office consistent with that of the Board. If a member of the Nomination Committee ceases to act as a Director of the Company during his/her term of office, he/she shall automatically lose his/her membership. The vacancy shall be filled by the Board in accordance with the provisions of Articles 4 and 5.

Article 7 The working unit under the Nomination Committee is the daily administrative body to take charge of daily communications and the organization of meetings under the leadership of the secretary of the Board of the Company. Members of the working unit need not to be members of the Nomination Committee.

### **Chapter 3 Duties and Authorities**

Article 8 The main duties of the Nomination Committee are as follows:

- (i) to review the structure, size, composition and diversity of the Board (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) at least annually and make recommendations on any proposed changes to the Board in line with the Company's strategies;
- (ii) to study the selection criteria and procedures of Directors and senior management members and make recommendations to the Board;
- (iii) to identify individuals with appropriate qualifications to serve as Board members and select or nominate such relevant individuals to serve as Directors or provide advice to the Board on the selection of individuals nominated for directorships. In identifying suitable candidates, the Committee shall consider candidates on merit and objectively, with due regard for the benefits of diversity;
- (iv) to assess the independence of independent non-executive Directors;
- (v) to assist the Board in maintaining a board skills matrix;
- (vi) to support the Company's regular evaluation of the Board's performance;
- (vii) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman of the Board and the chief executive/general manager, taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future, as appropriate;
- (viii) to review the Board Diversity Policy, as appropriate; review the measurable objectives that the Board has set for implementing the Board Diversity Policy and the progress on achieving these objectives; and make disclosure of its review results in the Corporate Governance Report annually;
- (ix) other matters delegated by the Board.

Article 9 The Nomination Committee is accountable to the Board, and the proposals of the Committee shall be submitted to the Board for consideration. Any controlling shareholder shall fully respect the recommendations of the Nomination Committee, and provided that there is no good reason or reliable evidence, they shall not propose alternative candidates for the positions of Directors and senior management members.

Article 10 The Company shall provide members with the working conditions necessary for the performance of their duties. The secretary of the Board shall provide assistance to members in the performance of their duties, including but not limited to briefing, providing materials, coordinating with relevant departments, preparing meetings of the Nomination Committee and assisting with the implementation of the resolutions made by the Nomination Committee.

The Nomination Committee is authorized to obtain any information required from within the Company in accordance with these Terms of Reference. When the Committee exercises its functions and powers, the Company's personnel concerned shall actively cooperate and shall not withhold their cooperation, engage in obstruction or concealment, or interfere with the exercise of such functions and powers.

Article 11 Save for the remuneration or allowances they receive as the Company's Directors or independent Directors as determined by a shareholders' general meeting in accordance with relevant laws, regulations, regulatory documents, and the Articles of Association, members of the Nomination Committee shall not obtain additional undisclosed benefits from the Company and its substantial shareholders or interested bodies and persons.

Article 12 The Nomination Committee is authorized by the Board and may, based on its needs, seek independent professional opinions from an intermediary with expenses being borne by the Company.

#### **Chapter 4 Decision Making Procedures**

Article 13 The nomination procedures for Directors and senior management members of the Company are as follows:

- (i) Persons or organizations that have the right to nominate Directors shall propose a list of nominees for the Board. The proposal shall be submitted to the Board for deliberation after a review by the Nomination Committee and then submitted to the shareholders' meeting for deliberation and approval;
- (ii) the general manager of the Company and the secretary of the Board shall be nominated by the chairman of the Board. The nomination shall be submitted to Directors for deliberation after a review by the Nomination Committee;

- (iii) other senior management members of the Company shall be nominated by the general manager of the Company. The nomination shall be submitted to the Board for deliberation after a review by the Nomination Committee;
- (iv) the Nomination Committee has the right to make recommendations concerning the election and appointment of Directors and senior management members.

Article 14 The Nomination Committee shall study the selection criteria, selection procedures and terms of office of Directors and senior management members as required by relevant laws, regulations and the Articles of Association while taking the Company's situation into account, and prepare and implement resolutions of which a record is to be kept and which are to be submitted to the Board for deliberation and approval. Where the Board intends to propose a resolution at a general meeting of shareholders in relation to the election of an individual as an independent non-executive Director, it shall, in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting, specify the process used to select that person, the reasons why the Board believes the individual should be elected and the reasons why they consider him to be independent; if the proposed independent non-executive Director will serve as a director in seven (or more) listed companies, the reasons why the Board believes the individual would be still able to devote sufficient time to his/her responsibilities as a Director; the perspectives, skills and experience that the individual can bring to the Board; and how the individual contributes to the diversity of the Board.

Article 15 The review procedures with regard to candidates for the positions of Directors and senior management members are as follows:

- (i) relevant departments of the Company may be required to provide or collect the occupation, academic qualifications, title, detailed work experience and all part-time jobs of the candidate, and present such information in writing;
- (ii) seek the nominee's consent to nomination, without which the nominee shall not be selected as a candidate for being a Director or senior management members;
- (iii) convene a Nomination Committee meeting to review the qualifications of candidates against the selection criteria for directors and senior management members and to set out suggestions and recommendations in the form of a proposal;
- (iv) prior to the election of new Directors and the appointment of new senior management members, to submit proposals and related materials to the Board regarding the candidates for the positions of Directors and senior management members;
- (v) to carry out other related work in accordance with the decisions of and feedback from the Board.

## **Chapter 5 Convening and Notification of Meetings**

Article 16 The Nomination Committee shall hold meetings, convened by the Chairman, in accordance with its operational needs, and notify all members of the Nomination Committee three days prior to the meeting.

Article 17 The notice of meeting of the Nomination Committee shall include the following contents:

- (i) date and place of the meeting;
- (ii) duration of the meeting;
- (iii) reasons and issues;
- (iv) date of notice.

Article 18 The notice of meeting shall be sent in the form of letters, e-mails, faxes or other means.

## **Chapter 6 Rules of Procedure and Voting**

Article 19 More than two thirds of the members are required to form the quorum of a Nomination Committee meeting. Members may attend the Nomination Committee meeting in person or delegate other members to attend on their behalf. Members shall attend the meeting with a serious and responsible attitude and shall express a clear opinion on all items on the agenda.

Article 20 If a member delegates another member to attend the meeting and exercise voting rights on his/her behalf, a power of attorney shall be submitted. The power of attorney shall be signed by the principal and shall record the name of the agent, the entrusted matters, the scope and validity period of authorization.

Article 21 If a member neither attends the meeting nor delegates another member to attend on his/her behalf, he/she shall be deemed to have waived the right to vote at the meeting.

Article 22 The Nomination Committee meeting shall be presided over by the Chairman, and if the Chairman is unable to attend the meeting, he/she may appoint another member to preside over the meeting.

Article 23 When the Nomination Committee conducts a vote, each member shall be entitled to one vote; the resolutions of the Committee must be adopted by a majority vote of its members.

Article 24 Resolutions of the Nomination Committee meeting shall be passed by a show of hands or by poll; the meeting can be held by telephone, fax, letter, email, audio or video communication, etc. As long as attending members are able to communicate at the meeting, all attending members shall be deemed to be present at the meeting.

Article 25 Where necessary, Directors and senior management members of the Company may be invited to attend the Nomination Committee meetings. However, non-Nomination Committee members do not have voting rights.

Article 26 The Nomination Committee may, if necessary, engage an intermediary agency to provide professional advice on its decision-making with expenses being borne by the Company.

Article 27 When the Nomination Committee meeting discusses a matter in which a member is interested, the relevant member shall abstain from taking part in the vote on such matters, and the number of votes he/she represents shall not be included in the total number of effective votes. Minutes and resolutions of the Nomination Committee meetings shall clearly state the fact that interested members are not counted in the quorum and that they did not vote.

## **Chapter 7 Resolutions and Minutes of Meetings**

Article 28 Minutes shall be made for the meetings of the Nomination Committee and signed by the members present at the meetings and the person who drafted the minutes. Members present at the meetings have the right to request a descriptive record of their speeches at the meetings in the minutes.

Article 29 Minutes of the meetings of the Nomination Committee shall include the following contents:

- (i) date, place and name of the convener of the meeting;
- (ii) names of members present at the meeting;
- (iii) the meeting agenda;
- (iv) key points of speeches of members;
- (v) the voting method and results for each resolution (the results of a poll shall clearly state the number of affirmative, negative and abstention votes).

Article 30 The meeting archives of the Nomination Committee shall include meeting notices, meeting materials, powers of attorney allowing other members to attend on their behalf, votes, and minutes and resolutions of meetings as confirmed by the signatures of attending members, and shall be kept by the secretary of the Board.

Article 31 Any resolution passed or the results of a vote taken at a meeting of the Nomination Committee shall be reported in writing to the Board by the chairman of the Nomination Committee or the secretary of the Board within two days after the resolution of the meeting is passed.

Article 32 All members present at a meeting shall be obliged to keep confidential all matters discussed at the meeting and shall not disclose such information without authorization.

### **Chapter 8 By-laws**

Article 33 Any matters not covered by these Terms of Reference shall be implemented in accordance with the Company Law, the Listing Rules, other relevant laws and administrative regulations, as well as the Articles of Association. Where there is a conflict between these Terms of Reference and future laws and administrative regulations, the Listing Rules or other relevant regulatory rules of the listing place(s) or the Articles of Association as amended in accordance with legal procedures, these Terms of Reference shall be implemented in accordance with relevant laws, administrative regulations, the Listing Rules or other relevant regulatory rules of the listing place(s) and the Articles of Association, and shall be subject to appropriate amendments on this basis.

Article 34 The Board shall be responsible for the interpretation of these Terms of Reference.

(If there is any inconsistency between the English and Chinese versions of this document, the Chinese version shall prevail.)