



**Shanghai HeartCare Medical Technology
Corporation Limited**

上海心璋醫療科技股份有限公司

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

(Stock Code: 6609)

**TERMS OF REFERENCE FOR
THE NOMINATION COMMITTEE OF THE BOARD OF DIRECTORS**

CHAPTER 1 GENERAL PROVISIONS

Article 1 Shanghai HeartCare Medical Technology Corporation Limited (hereinafter referred to as the “**Company**”) has established the nomination committee of the board of directors and formulated these Terms of Reference for the Nomination Committee of the Board of Directors of Shanghai HeartCare Medical Technology Corporation Limited (hereinafter referred to as the “**TOR**”) according to the practical situations of the Company in accordance with the laws, regulations, and normative documents including the Company Law of the People’s Republic of China (hereinafter referred to as the “**Company Law**”), the Articles of Association of Shanghai HeartCare Medical Technology Corporation Limited (hereinafter referred to as the “**Articles of Association**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Listing Rules**”), and other applicable laws, regulations and relevant requirements of the Hong Kong Special Administrative Region of the People’s Republic of China, in order to standardize the nomination procedures of the directors and senior management, enhance the composition of the board of directors and improve the Company’s corporate governance.

Article 2 The nomination committee of the board of directors is a specific working body established by the board of directors in line with resolutions passed at the general meeting, being mainly responsible for preparing selection procedures and standards regarding the candidates for directors (including independent non-executive directors), the general manager and other senior management and conducting initial review for the qualifications of and conditions for such candidates, as well as giving advice and recommendations to the board of directors in this regard.

Other senior management as referred to in these TOR refers to the deputy general manager, chief financial controller, chief engineer, secretary to the board of directors and other staff as may be engaged by the board of directors.

CHAPTER 2 COMPOSITION

Article 3 The nomination committee shall comprise at least three directors and the total number of members shall be an odd number. The majority of the members shall be independent non-executive directors. Members of the committee shall possess professional knowledge and work experience corresponding to the duties and responsibilities of the nomination committee.

Article 4 Members of the nomination committee shall be nominated by the chairman of the board of directors, over one half of the independent non-executive directors or at least one third of members of the board of directors, and shall be elected by more than half of directors of the board of directors. Upon approval of the proposal for such election, the new appointed member shall commence his term of office immediately after the conclusion of the meeting of the board of directors.

Major duties and responsibilities of the members are:

- (1) To attend the committee meetings, express their opinions on matters deliberated at the meetings, and exercise their voting rights;
- (2) To propose topics for discussion at the committee meetings;
- (3) To attend relevant meetings of the Company as observers, to conduct surveys and researches and to collect relevant information such as reports, documents and data for the purpose of discharging their duties and responsibilities;
- (4) To fully understand the duties and responsibilities of the committee and of himself/herself as a member of the committee, to familiarize themselves with information relevant to their duties and responsibilities on the operation and management, business activities and development of the Company to ensure their capacity for discharging duties and responsibilities;
- (5) To fully ensure that they have sufficient working hours and energy to fulfil their duties and responsibilities;
- (6) Other duties and responsibilities as specified by the laws, regulations, rules, normative documents, rules governing the listing of securities on the listing place of the shares of the Company, the Articles of Association of the Company and these TOR.

Article 5 The nomination committee shall have a convener or chairman, who shall be an independent non-executive director. The chairman shall be appointed and removed by the board of directors and shall oversee the operation of the committee. Where the chairman is unable to or fails to discharge the duty, an independent non-executive director shall be elected by over one half of the members to act in his stead. After the proposal for electing committee member is passed, the new committee member should take office immediately after the board meeting.

Major duties and responsibilities of the chairman are:

- (1) To preside over the committee meetings and ensure effective operation and performance of duties and responsibilities of the committee;
- (2) To determine the agenda of the committee meetings;
- (3) To ensure that proposals considered by the committee reach a clear and definitive conclusion, including whether the proposal is passed, vetoed or to be further discussed after supplemental materials are provided;
- (4) To report its work to the board of directors on behalf of the committee;
- (5) Other duties and responsibilities as specified by the laws, regulations, rules, normative documents, rules governing the listing of securities on the listing place of the shares of the Company, the Articles of Association and these TOR.

Article 6 The term of office of the nomination committee shall be consistent with that of the board of directors. Each member shall be eligible for re-election upon completion of his term of office. During his term of office, if any member ceases to be a director, or any committee member as an independent non-executive director loses his independence as required under the Articles of Association and the Listing Rules, his membership in the committee shall lapse automatically. A member of the nomination committee may submit his resignation report in writing to the board of directors prior to the expiry of his term of office to resign from his existing position. The resignation report shall contain necessary explanation as to such reasons for resignation and matters which need attention of the board of directors. Upon the loss of qualification or the permission to resign as the nomination committee member, the position(s) vacated by such member(s) shall be filled by the board of directors according to the relevant laws, regulations, normative documents and provisions of Articles 3 to 5 in the above. A member shall not, before the expiry of his term of office, be relieved of his duties without cause except for the situations specified in the Company Law, the Articles of Association or the Listing Rules.

The secretary to the board of directors shall be responsible for the nomination committee's daily communications, arrangement of meetings and implementation of the relevant resolutions.

CHAPTER 3 DUTIES AND AUTHORITIES

Article 7 As stipulated in Article 155 of the Articles of Association regarding the major duties and responsibilities of the nomination committee, the specific duties of the nomination committee are:

- (1) To review the structure, number of members and composition of the board of directors (including skills, knowledge and experience) at least once annually, and make recommendations as to any proposed change to the composition of the board of directors in coordination with the strategies of the Company;
- (2) To consider the criteria and procedures for selecting directors, the general manager and other senior management and make recommendations thereon to the board of directors; to formulate the board of directors' diversity policy and endeavor to implement the same in selection of members. Factors to consider include but not limited to gender, age, culture, education background, and experience of occupation;
- (3) To search candidates for directorship and recommend candidates to the board of directors;
- (4) To review the candidates running for the positions of the general manager and other senior management and make recommendations thereon;
- (5) To review the independence of the independent non-executive directors;
- (6) To make recommendations to the board of directors regarding the proposals of appointment, re-appointment and succession of directors, especially with respect to the offices of the chairman of the board of directors and the general manager;
- (7) To assess the structure of the committees under the board of directors, recommend members to the relevant committees from among the directors, and submit to the board of directors for approval;
- (8) To establish the plan for reserving potential directors and senior management and make updates from time to time;

- (9) To assess the working situation of directors, and provide opinions and recommendations regarding any change of directors based on the result of assessment;
- (10) The requirements of laws, regulations, rules, normative documents, rules governing the listing of securities on the listing place of the shares of the Company and provisions of the Articles of Association as well as other matters as authorized by the board of directors.

Relevant departments of the Company shall be obligated for cooperating with the nomination committee to perform its duties in providing relevant materials. Sufficient resources shall be made available to the nomination committee for its performance of duties.

Article 8 The nomination committee may exercise any authority conferred by the board of directors at such time as it considers necessary. The nomination committee may, as it considers necessary, engage headhunting firms to assist in searching competent candidates for directors and senior management. The duration and costs of service provided by the aforesaid agencies shall be determined by the nomination committee and the costs shall be borne by the Company.

Article 9 The nomination committee shall be accountable to the board of directors and proposals of the committee shall be submitted to the board of directors for consideration and approval. In the absence of sufficient reasons or reliable evidence, controlling shareholders of the Company shall respect the recommendations provided by the nomination committee.

CHAPTER 4 WORKING PROCEDURES

Article 10 As the day-to-day working body of the nomination committee, the board of directors' office shall be responsible for the preliminary preparation work of the nomination committee and assist in preparing relevant materials for meetings.

Article 11 The selection procedures of directors and senior management are as follows:

- (1) The board of directors' office and the nomination committee shall actively communicate with the relevant departments of the Company to assess the demand for new directors and senior management, and come up with written materials;
- (2) The nomination committee may extensively seek for candidates for directors and senior management within the Company, subsidiaries/associates/joint ventures as well as in the recruitment market;
- (3) The nomination committee shall obtain information of the occupation, education background, job title, detailed working experience and all the part-time positions of the initially proposed candidates and come up with written materials;
- (4) To seek for the written consent from the nominee on the proposed nomination; otherwise, he shall not be considered as candidate for the office of directors, the general manager and other senior management;
- (5) To convene nomination committee meetings to review the qualifications of the initially proposed candidates according to the job requirements of directors, the general manager and other senior management;

- (6) To submit proposals and the relevant materials to the board of directors in respect of candidates for directors and senior management within a reasonable period of time prior to the election and appointment of new directors and senior management;
- (7) To carry out other follow-up work according to the decision and feedback of the board of directors.

CHAPTER 5 RULES OF PROCEDURES

Article 12 The nomination committee shall convene at least one meeting annually, and shall be called up by and the notice of meeting shall be signed by the chairman of the committee, and materials for meeting shall be delivered to all members of the committee three days prior to convening the meeting. The meeting notice may be served by hand or sent through fax, registered mails or electronic mails, etc.. Upon unanimous consent of all members of the committee, the requirement of such prior notice period may be exempted. An extraordinary meeting may be convened by the chairman of the nomination committee as he deems it necessary, by the proposal of at least half of the members of the committee or upon recommendation of the chairman of the board of directors. The convening of an extraordinary meeting is not subject to notice period.

The meeting notice shall include:

- (1) Venue and time of the meeting;
- (2) Manner of convening the meeting;
- (3) Agenda, discussion items and relevant detailed materials of the meeting;
- (4) The requirements that the members shall personally attend the meeting or appoint other members to attend the meeting on their behalf;
- (5) The contact person and the contact information;
- (6) Date of notice.

The nomination committee shall be presided over by the chairman. The chairman may, when unable to attend the meeting, authorize another committee member who is an independent non-executive director to preside over the meeting. Where the chairman fails to make such authorization, an independent director shall be elected by no less than half of all members to preside over the meeting.

Article 13 The quorum for meetings of the nomination committee is at least two thirds of the total number of members of the committee. Members who cannot attend a meeting may authorize, in writing, other members to attend and vote on his behalf. The form of proxy, containing the names of the appointer and the proxy, the matters delegated, the scope of authorization, the validity period of such authorization and signing date, and signed or stamped by the appointer, shall be submitted to the president of the meeting no later than the time when voting takes place in the meeting.

Resolutions proposed at a meeting shall be passed by the affirmative votes of more than half of the members. The respective resolution or opinion shall be signed by members who attend such meeting of the nomination committee. Each member shall have one vote. Voting decisions include “For”, “Against” and “Abstention”. Where the respective votes for and against a resolution are equal in number, the chairman shall be entitled to have a casting vote. When voting at the meeting, members interested in the subject matter shall abstain.

Article 14 Meetings of the nomination committee may be in such appropriate forms as physical meetings held on site, telephone conference, video conference, circulation of documents, fax etc.

Article 15 A director, supervisor and senior management may be invited to attend a nomination committee meeting as an observer, where necessary.

Article 16 Where necessary, the nomination committee may engage agencies to provide professional advice on its decision-making, at the cost of the Company.

Article 17 The convening procedures, voting method and passing of resolutions of the meetings of the nomination committee shall be in compliance with relevant laws and regulations, the Articles of Association and these TOR.

Article 18 Minutes of meetings of the nomination committee shall be prepared, on which members present at the meeting shall sign. Minutes of meetings shall be kept by the secretary to the board of directors.

Article 19 The nomination committee shall draw clear and definite conclusions on resolutions considered, including approvals, disapprovals or awaiting supplemental information for further consideration. Resolutions passed by the nomination committee and the voting results shall be reported in writing to the board of directors for its consideration.

Article 20 Members attending meetings, and those attending as observers, shall owe a duty of confidentiality as regards matters discussed during such meetings. No disclosure of such information shall be allowed, save as is otherwise stipulated under relevant laws, regulations and/or rules of regulatory bodies.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 21 “At least” as referred to in these TOR includes the number, and the words “more than half” does not include the number itself.

Article 22 These TOR have been approved by the board of directors upon consideration and shall become effective from the date on which the overseas-listed foreign shares of the Company are listed for trading on The Stock Exchange of Hong Kong Limited. Any amendment or interpretation of these TOR shall be done by the board of directors.

Article 23 Any matters not covered herein these TOR shall be implemented in accordance with the relevant laws and regulations, relevant regulatory provisions of the place(s) where the shares of the Company are listed, and the Articles of Association. Where these TOR conflict with any relevant laws and regulations, relevant regulatory provisions of the place(s) where the shares of the Company are listed including the Listing Rules, or the Articles of Association, such relevant laws and regulations, relevant regulatory provisions of the place(s) where the shares of the Company are listed including the Listing Rules, and the Articles of Association shall prevail, in which case these TOR shall be amended forthwith and submitted to the board of directors for consideration and approval.