SHANGHAI FOREST CABIN COSMETICS GROUP CO., LTD.

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

CHAPTER I GENERAL PROVISIONS

Article 1 In order to regulate the appointment of directors and senior management, optimize the composition of the board of directors, and improve corporate governance structure, the Company has established the Nomination Committee of the board of directors and formulated these terms of reference in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), and the Articles of Association of Shanghai Forest Cabin Cosmetics Group Co., Ltd. (hereinafter referred to as the "Articles of Association") and other relevant regulations.

Article 2 The Nomination Committee of the board of directors is a specialized working body established by the board of directors. It is primarily responsible for selecting candidates for the directors, general manager and other senior management of the Company as well as determining the selection criteria and procedures, etc., and making recommendations accordingly.

Senior management referred herein shall refer to the general manager, deputy general managers, board secretary and chief financial officer of the Company.

Article 3 The provisions of the Company Law, the Hong Kong Listing Rules and the Articles of Association in relation to the obligations of the directors shall apply to members of the Nomination Committee.

CHAPTER II COMPOSITION

Article 4 The Nomination Committee shall comprise at least three directors, and the majority of which shall be independent non-executive directors, including at least one director of a different gender.

Article 5 Members of the Nomination Committee shall be nominated by the Chairman, more than half of the independent non-executive directors, or more than one-third of all directors, and shall be elected by the board of directors.

Article 6 The Nomination Committee shall have one chairperson, who shall be an independent non-executive director or the Chairman of the board of directors. The chairperson shall preside over the work of the Committee and act as convener. The chairperson shall be elected from among the members and appointed upon approval by the board of directors.

Article 7 The terms of office of the Nomination Committee shall be consistent with those of the board of directors, and a member may be re-elected upon the expiration of his/her terms. If any member ceases to serve as a director of the Company during the term, he/she shall cease to be the member automatically, and the Committee shall then replenish the membership in accordance with the provisions of Articles 4 to 6 above.

CHAPTER III DUTIES AND AUTHORITIES

Article 8 The primary duties and authorities of the Nomination Committee are as follows:

(I) to review at least annually the structure, size and composition of the board of directors, including in terms of skills, knowledge and experience, to assist the board of directors in preparing a board skills matrix, and based on the business activities, scale of assets and shareholding structure of the Company, to make recommendations to the board of directors regarding any proposed changes to the board of directors in line with the strategy of the Company; to ensure a balanced composition of executive and non-executive directors (including independent non-executive directors) of the board of directors when considering the members of the board of directors, whilst considering board diversity from multiple perspectives including but not limited to directors' gender, age, cultural and education background, and professional experience; to formulate and review the board diversity policy, and disclose the policy or a summary thereof in the corporate governance report;

(II) to study the selection criteria and procedures for directors, managers and other senior management, and to make recommendations to the board of directors;

(III) to conduct a wide search for qualified candidates for directors, managers and other senior management, and to select and nominate such persons for appointment as directors or to provide advice to the board of directors in this regard;

(IV) to review candidates for directors (including independent non-executive directors) and senior management, and to make recommendations in writing to the board of directors;

(V) to make recommendations to the board of directors regarding the appointment or reappointment of directors, and succession planning for directors (particularly the chairman) and general managers;

(VI) to assess the independence of independent non-executive directors, evaluate annually each director's time commitment and contributions to the board, and ability to discharge his/her responsibilities effectively;

(VII) to support the Company's regular evaluation of the performance of the board of directors;

(VIII) to ensure that non-executive directors receive a formal letter of appointment upon joining the board of directors, which clearly sets out the requirements for non-executive directors in terms of time commitment, committee service and participation other than board meetings; and

(IX) to handle matters within the scope of duties and authorities stipulated by laws, administrative regulations, departmental rules, normative documents, the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association, to handle other matters delegated by the board of directors, and to report to the board of directors on matters within the terms of reference of the Committee (including decisions or recommendations made by the Committee).

Article 9 The Nomination Committee shall be accountable to the board of directors, and the proposals of the Committee shall be submitted to the board of directors for deliberation and decision.

Article 10 The board of directors shall give due consideration to the recommendations of the Nomination Committee regarding the nomination of candidates for director and general managers, and without sufficient grounds or reliable evidence, it shall not set aside the recommendations of the Nomination Committee on candidates for directors and general managers.

Where an independent non-executive director has served for more than nine years, his/her re-election shall be subject to approval by shareholders by way of a separate resolution. The documents accompanying such resolution sent to shareholders shall include the reasons why the board of directors (or the Nomination Committee) believes that the individual remains independent and shall be re-elected.

Article 11 The relevant departments of the Company shall cooperate with the Nomination Committee in the performance of its duties, and the daily operating expenses of the Nomination Committee shall be borne by the Company.

CHAPTER IV DECISION-MAKING PROCEDURES

Article 12 The Nomination Committee shall formulate resolutions in accordance with the provisions of relevant laws, administrative regulations, departmental rules, normative documents, the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association by taking into account the actual circumstances of the Company and studying the eligibility criteria and selection procedures for directors and senior management of the Company, and submit these resolutions to the board of directors for approval.

Article 13 Procedures for the election and appointment of directors and senior management:

(I) The Nomination Committee shall actively engage with relevant departments of the Company to study the requirements of the Company for new directors and senior management, and shall prepare written documents accordingly;

(II) The Nomination Committee may conduct a wide search for candidates for directors and senior management within the Company, its holding enterprises and the talent market;

(III) The Nomination Committee may collect information of the occupation, education background, title, detailed work experience and all concurrent positions of shortlisted candidates, and shall prepare written documents accordingly;

(IV) The Nomination Committee may seek the nominees' views and requirements regarding their nomination, and without prior consent from the nominees, they shall not be considered as candidates for directors or senior management;

(V) The Nomination Committee may convene its meetings to conduct assessments on the eligibility of shortlisted candidates based on the appointment criteria for directors and senior management;

(VI) The Nomination Committee may submit recommendations and relevant documents to the board of directors regarding candidates for directors and new senior management one to two months prior to the election of new directors or appointment of new senior management;

(VII) The Nomination Committee may undertake other follow-up tasks in accordance with the decisions and feedback of the board of directors.

CHAPTER V MEETING PROCEDURES

Article 14 The Nomination Committee shall hold a meeting at least once a year, and convene meetings from time to time as required by the Company. All members shall be notified three days prior to the meetings. Meetings shall be presided over by the chairperson. Should the chairperson be unable to attend, he/she may delegate another member (an independent non-executive director) to preside. Should the chairperson neither perform his/her duties nor designate another member to act on his/her behalf, any member may report the matter to the board of directors of the Company, which shall then designate a member to perform the chairperson's duties.

Article 15 The quorum for meetings of the Nomination Committee shall be at least two-thirds of the total members of the Committee; each member shall have one vote; resolutions made at the meeting shall be passed by more than half of all members of the Committee.

Meetings of the Nomination Committee may be convened in the form of written resolutions. A written proposal shall be served by facsimile, courier or by hand or by other means to all members. After the members have casted votes on the proposal, the original copies shall be returned to the Company for filing. A proposal signed by consenting members satisfying the number of votes required hereunder shall become an effective resolution of the Committee.

Article 16 Voting of the Nomination Committee shall be conducted either by a show of hands or by poll. Voting at a meeting may be conducted by means of correspondence.

Members of the Nomination Committee may attend the meeting in person or appoint other members in writing to attend the meeting and exercise their voting rights on their behalf. If a member of the Nomination Committee authorizes another member to attend the meeting and exercise the voting rights on his/her behalf, he/she shall submit a power of attorney to the chairperson of the meeting, which shall specify the scope of authorization. The power of attorney shall be delivered to the chairperson of the meeting no later than the time of voting at the meeting.

Article 17 The Nomination Committee may invite directors or other senior management of the Company to attend its meetings where necessary.

Article 18 If necessary, the Nomination Committee may engage an intermediary to provide professional opinions for its decision-making, at the Company's expense.

Article 19 The procedures for convening meetings of the Nomination Committee, the voting methods, and the adoption of resolutions at the meetings have to comply with the provisions of relevant laws, regulations, the rules of the stock exchange where the shares of the Company are listed, the Articles of Association, and these terms of reference.

Article 20 Minutes of the Nomination Committee shall be kept, which shall record in sufficient detail the matters considered and resolutions passed at the meetings, including any doubts or objections raised by members. The draft and final version of the minutes shall be sent to all members of the Committee within a reasonable time after the meeting, with the draft for members to express their opinions and the final version for record. Each member shall review and confirm the minutes. Members present at the meeting shall sign the minutes. The minutes shall be kept by the board secretary of the Company.

If a member of the Committee has any comments or objections regarding the minutes, he/she may choose not to sign but shall submit his/her written opinions to the secretary of the board of directors within the timeframe stipulated above. If the errors or omissions in the records are confirmed to be true, the secretary of the board of directors shall make corrections, and the members of the Committee shall sign the revised minutes.

Article 21 Resolutions passed and voting results at a meeting of Nomination Committee shall be reported in writing to the board of directors of the Company.

Article 22 All members present at meetings shall maintain confidentiality regarding matters discussed and shall not disclose relevant information without authorization.

CHAPTER VI ABSTENTION FROM VOTING

Article 23 When a member of the Nomination Committee has an interest of conflict, directly or indirectly, in respect of any matter discussed at the meeting, such member shall abstain from voting on the relevant proposals.

Where the number of members attending the meeting is less than the quorum specified in these terms of reference after the interested members abstain from voting, all members (including the interested members) shall resolve on procedural issues including submitting the proposal to the board of directors of the Company for consideration. Such proposal shall be considered by the board of directors of the Company.

CHAPTER VII SUPPLEMENTARY PROVISIONS

Article 24 These terms of reference have been considered and approved by the board of directors and shall take effect from March 24, 2026.

Article 25 Matters not covered in these terms of reference shall be conducted in accordance with the provisions of the relevant laws and regulations of the PRC, the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association. In case of any conflict between these terms of reference and any laws and regulations promulgated by the PRC from time to time, the listing rules of the stock exchange where the shares of the Company are listed or the Articles of Association as amended through lawful procedures, the relevant laws and regulations of the PRC, the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association shall prevail. These terms of reference shall be revised forthwith and submitted to the board of directors for consideration and approval.

Article 26 These terms of reference shall be interpreted by the board of directors of the Company.

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