IMPACT Therapeutics, Inc

Terms of Reference of 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 of IMPACT Therapeutics, Inc (the "**Company**"), optimize the composition of the Board of Directors, and improve the corporate governance structure, the Company has established the Nomination Committee of the Board of Directors and formulated the Terms of Reference of the Nomination Committee of the Board of Directors of IMPACT Therapeutics, Inc (the "**Terms of Reference**") in accordance with the Company Law of the People's Republic of China (the "**Company Law**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the Corporate Governance Code set out in Appendix C1 to the Listing Rules, and other relevant laws, regulations, normative documents, and the Articles of Association of Nanjing Impact Therapeutics, Inc. applicable after the issuance of H shares (the "**Articles of Association**"), taking into account the actual circumstances of the Company.

Article 2 The Nomination Committee of the Board of Directors is a specialized working body established under the Board of Directors of the Company, whose primary responsibilities are to conduct research and provide opinions and recommendations to the Board of Directors regarding the selection of, and the selection criteria and procedures for, directors (including independent non-executive directors) and senior management of the Company.

For the purpose of the Terms of Reference, senior management refers to the general manager, deputy general managers, chief financial officer, secretary to the Board of Directors of the Company, and other personnel appointed by the Board of Directors as senior management of the Company. Any reference to general manager in the Terms of Reference shall mean manager as defined under the Company Law.

CHAPTER II COMPOSITION

Article 3 The Nomination Committee shall consist of three or more directors, a majority of whom (more than one-half) must be independent non-executive directors, and there shall be at least one director of a different gender on the Nomination Committee.

Article 4 Members of the Nomination Committee shall be nominated by the Chairman of the Board or jointly by more than one-third of the members of the Board of Directors, and shall be elected by the Board of Directors by a majority of all directors.

Article 5 The Nomination Committee shall have one convener, being the chairman of the Committee, who shall be the chairman of the Board or an independent non-executive director, and shall be appointed and removed by the Board of Directors to be responsible for presiding over the work of the Committee. If the chairman of the Committee is unable or fails to perform his/her duties, more than half of the members shall jointly nominate an independent non-executive director to perform his/her duties on his/her behalf.

Members of the Nomination Committee must satisfy the following conditions:

(I) not being subject to any prohibition from serving as a director of the Company under the provisions of laws such as the Company Law, regulations or the Articles of Association;

(II) not having been declared an unsuitable person by a stock exchange within the last three years;

(III) not having been subject to any administrative punishment by the CSRC for major violations of laws and regulations in the past three years;

(IV) being familiar with relevant national laws and administrative regulations, possessing good moral character, having relevant professional knowledge, and being familiar with the operation and management of the Company;

(V) abiding by the principles of integrity, being honest and self-disciplined, loyal and dedicated to his/her duties, and working proactively to safeguard the interests of the Company and its shareholders;

(VI) possessing strong comprehensive analysis and judgment abilities, and having the ability to work independently;

(VII) meeting other conditions as required by relevant laws, regulations or the Articles of Association.

Any person who does not meet the qualifications for office as stipulated in the preceding article shall not be elected as a member of the Nomination Committee. Where any circumstance occurs during the term of office of a member of the Nomination Committee that renders such member unsuitable for the position as stipulated in the preceding article, such member shall resign voluntarily or be removed by the Board of Directors of the Company.

Article 6 The term of office of the Nomination Committee shall be the same as the term of office of the Board of Directors, and members are eligible for re-election upon expiry of their term. During the term, if any member ceases to serve as a director of the Company, or if any member who is required to be an independent non-executive director ceases to possess the independence required under the Company Law, the Articles of Association and the Listing Rules, such member shall automatically cease to be qualified as a member. A member of the Nomination Committee may, prior to the expiry of his/her term of office, submit a written resignation report to the Board of Directors to resign from the position of member, and the resignation report shall provide necessary explanations on the reasons for resignation and any matters that need to be brought to the attention of the Board of Directors of the Company. Where the composition of the Nomination Committee fails to satisfy the requirements of Article 3 and Article 5 of the Terms of Reference, the Board of Directors shall immediately fill the vacancy as soon as possible in accordance with the requirements of the Listing Rules, and the term of office of the supplementary member shall end upon the expiry of such member's term of office as a director. Before the expiration of a member's term of office, such member shall not be removed from office without cause, unless circumstances arise where the member is prohibited from holding office as stipulated in the Company Law, the Articles of Association, or the Listing Rules.

The Board of Directors Office shall be responsible for matters such as liaison for the day-to-day work, organization of meetings, and implementation of resolutions of the Nomination Committee.

CHAPTER III DUTIES AND POWERS

Article 7 The specific duties of the Nomination Committee shall primarily include:

(I) to research and formulate the selection criteria and procedures for directors and senior management and make recommendations to the Board, with factors to be considered including but not limited to: culture, educational background, and professional experience;

(II) to search for and identify qualified candidates for directors, provide nomination opinions to the Board of Directors, and conduct reviews of and make recommendations on candidates for directors of the Company (especially the Chairman);

(III) to search for and identify qualified candidates for senior management, and to conduct reviews of and make recommendations on candidates for senior management (especially the general manager) of the Company;

(IV) to review the independence of independent non-executive directors (the review of the independence of independent non-executive directors shall comply with the requirements of the Listing Rules and relevant guidelines); where the Board of Directors proposes a resolution to elect an individual as an independent non-executive director at a general meeting, the Nomination Committee should set out in the circular to shareholders and/or the explanatory statement accompanying the notice of the relevant general meeting:

a) the process used for identifying the individual, the reasons why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;

b) if the proposed independent non-executive director will be holding his/her seventh (or more) directorship in issuers listed on the Main Board or GEM of The Stock Exchange of Hong Kong Limited, the reasons why the Board of Directors believes such individual would still be able to devote sufficient time to the Board of Directors;

- the perspectives, skills and experience that the individual can bring to the Board; and

- how such person promotes diversity of the Board members.

(V) to review the structure, size and composition (including the skills, knowledge and experience) of the Board of Directors at least annually, assist the Board of Directors in preparing a Board skills matrix, and make recommendations on any proposed changes to the Board of Directors to complement the Company's strategy; and make recommendations to the Board of Directors on the appointment or re-appointment of directors and succession planning for directors (in particular the chairman of the Board and the general manager, as applicable); to evaluate the structure of the committees under the Board of Directors and recommend directors to serve as members of the relevant committees for submission to the Board of Directors for approval;

(VI) to establish a reserve plan for directors and senior management and to supplement and update it from time to time;

(VII) to support the Company in the periodic evaluation of the performance of the Board of Directors, to evaluate the work of the directors, and to provide opinions or recommendations to the Board of Directors regarding the replacement, appointment, re-appointment or succession of directors (including the chairman and the general manager and/or the chief executive officer) based on the evaluation results;

(VIII) to formulate and review the Board diversity policy and its implementation at least annually, including the measurable objectives (such as target figures and timetable) set for implementing gender diversity of the Board of Directors, the measures adopted and the progress made in developing a pipeline of potential successors to the directors, and make recommendations to the Board of Directors on any proposed updates or revisions; the relevant policy, a summary thereof, the results of the implementation review and the progress shall be disclosed in the Company's annual report or corporate governance report in accordance with the applicable rules;

(IX) to make recommendations to the Board of Directors on the size and composition of the Board of Directors based on the business operations, scale of assets and shareholding structure of the Company;

(X) to assess each director's time commitment and contribution to the Board of Directors, as well as the director's ability to discharge his or her responsibilities effectively, taking into account professional qualifications and work experience, existing directorships of issuers listed on the Main Board or GEM of The Stock Exchange of Hong Kong Limited and other significant external time commitments of such director and other factors or circumstances relevant to the director's character, integrity, independence and experience; in respect of an independent non-executive director, the Nomination Committee shall also consider whether he/she satisfies the applicable requirements under Rules 3.12A and 3.13A of the Listing Rules; and

(XI) other matters as prescribed by relevant laws, administrative regulations, the Listing Rules, and the Articles of Association, as well as those authorized by the Board of Directors.

Article 8 The Nomination Committee is entitled to exercise any of the powers delegated by the Board of Directors as and when it deems necessary.

Article 9 The Nomination Committee shall be accountable to the Board of Directors, and the recommendations of the Nomination Committee shall be submitted to the Board of Directors for consideration and decision; in particular, the nomination of candidates for directors, after being considered by the Board of Directors, must be submitted to the shareholders' general meeting for consideration and approval before implementation. The controlling shareholder shall, in the absence of sufficient reasons or reliable evidence, fully respect the recommendations of the Nomination Committee; otherwise, it shall not propose alternative candidates for directors and senior management.

The management has a responsibility to provide the Nomination Committee with sufficient information in a timely manner to enable the Nomination Committee to make decisions on an informed basis. The information supplied by the management must be complete and reliable.

Article 10 The Nomination Committee shall make available its terms of reference on the website of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") and the website of the Company, explaining its role and the powers delegated to it by the Board of Directors.

CHAPTER IV WORKING PROCEDURES

Article 11 The human resources department of the Company, as the routine administrative body of the Nomination Committee, shall be responsible for the preliminary preparation for the meetings of the Nomination Committee and assist in the preparation of relevant meeting materials.

Article 12 The selection procedures for directors and senior management:

(I) the human resources department of the Company and the Nomination Committee shall actively communicate with the relevant departments of the Company, study the Company's need for new directors and senior management members and report the same in writing;

(II) the Nomination Committee may extensively search for candidates for directors and senior management within the Company and its controlled (investee) companies as well as in the talent market;

(III) the Nomination Committee shall gather and understand information about the occupation, academic qualifications, professional titles, detailed work experience and all concurrent posts of the preliminary candidates and present such information in writing;

(IV) to seek the nominee's written consent to the nomination, otherwise he or she shall not be put on the list of candidates for directors and senior management;

(V) to convene meetings of the Nomination Committee and conduct qualification reviews of the preliminary candidates based on the criteria for the appointment of directors and senior management;

(VI) to put forward recommendations to the Board of Directors on the candidates for Directors and newly appointed senior management, and submit the relevant materials to the Board of Directors within a reasonable period of time prior to the election of new Directors and the appointment of new senior management;

(VII) to conduct other follow-up work according to the decisions and feedback of the Board of Directors.

Article 13 The chairman of the Nomination Committee or (in his/her absence) another member of the Nomination Committee (who must be an independent non-executive director) shall attend the annual general meeting of the Company and respond to questions from shareholders regarding the activities and responsibilities of the Nomination Committee.

CHAPTER V RULES OF PROCEDURE

Article 14 Members of the Nomination Committee must, in accordance with the provisions of laws, regulations, and the Articles of Association, assume duties of loyalty and diligence towards the Company. Recommendations or proposals put forward at the meetings of the Nomination Committee must comply with the requirements of laws, regulations and the Articles of Association.

Article 15 Meetings of the Nomination Committee are divided into regular meetings and extraordinary meetings.

Article 16 Regular meetings shall be convened at least once every year. An extraordinary meeting may be convened when the chairman of the Nomination Committee deems it necessary, or when proposed by more than half of the members of the Nomination Committee, or when suggested by the Chairman of the Board.

Article 17 Meetings of the Nomination Committee shall be convened by the chairman of the Committee, who shall also issue the notice of meeting. The notice of meeting and meeting materials shall be delivered to all members three days before the meeting. The requirement for the advance notice period may be waived upon the unanimous consent of all members.

Article 18 Meetings of the Nomination Committee shall be presided over by the chairman of the Committee; where the chairman of the Committee is unable to attend, he/she may appoint another member (an independent non-executive director) to preside.

Article 19 A meeting of the Nomination Committee shall be held only when more than two-thirds of the members are present, among whom one member must be an independent non-executive director; a member who is unable to attend may appoint another member in writing to attend and vote on his/her behalf. The instrument of proxy shall specify the name of the proxy, the matters to be handled, the scope of authorization and the validity period, and shall be signed or sealed by the appointor and submitted to the chairman of the meeting no later than before the voting at the meeting. If a member fails to attend a Nomination Committee meeting and has not appointed a representative to attend on his or her behalf, he or she shall be deemed to have waived the voting right at that meeting.

Resolutions made at the meeting must be passed by a majority of all members, and the relevant resolutions or opinions shall be signed by the members attending the meeting. Each member shall have one vote. Votes may be cast as "for", "against", or "abstain"; in the event of an equality of votes, the chairman of the Committee shall have a casting vote.

Article 20 Meetings of the Nomination Committee may be convened by appropriate means such as physical meetings, telephone conferences, video conferences, circulation of documents, fax, or email.

Article 21 When necessary, the Nomination Committee may invite the Company's directors, senior management and external consultants to attend its meetings. Persons attending the meeting may provide explanations or clarifications on matters discussed at the meeting, but non-members shall have no voting rights.

Article 22 The Company shall provide the Nomination Committee with sufficient resources to perform its duties. If necessary, the Nomination Committee may engage professional advisers to provide professional advice for its decision-making; the term of engagement and fees of the relevant professional advisers shall be determined by the Nomination Committee, and the reasonable expenses incurred shall be paid by the Company.

Article 23 The procedures for convening, the voting methods of, and the resolutions passed at meetings of the Nomination Committee must comply with the requirements of the relevant laws and regulations, the Articles of Association, the Listing Rules and the Terms of Reference.

Article 24 Written minutes of the Nomination Committee meetings shall be kept. Such minutes shall record in sufficient detail the matters considered and decisions reached at the meetings, including any concerns raised or dissenting views expressed by the directors. Draft and final versions of the minutes of meetings should be sent to all members of the Committee within a reasonable time after the meeting, the draft for members to express their opinions and the final version for their records. Members attending the meeting shall sign the minutes of the meeting. Members present at the meeting shall have the right to request that an explanatory note be made in the minutes regarding their statements at the meeting. Minutes of meetings shall be kept by a duly appointed secretary of the meeting and shall be open for inspection by any director at any reasonable time upon reasonable notice.

Article 25 The Nomination Committee shall form clear and definite conclusions on the proposals under consideration, including: passed, rejected, or to be reconsidered after supplementary information is provided. Proposals passed at a meeting of the Nomination Committee and the voting results thereon shall be reported to the Board of Directors in writing.

Article 26 Members and other persons attending the meeting shall all have an obligation of confidentiality regarding the matters discussed at the meeting. Unless otherwise provided by relevant laws, regulations and/or regulatory authorities, they shall not disclose relevant information without authorization, nor shall they use the information they are aware of to conduct, or procure others to conduct, insider dealing. Otherwise, they shall bear all legal liabilities arising therefrom.

CHAPTER VI RECUSAL

Article 27 Where a member of the Nomination Committee or any of his/her immediate relatives, or any other enterprise controlled by a member of the Nomination Committee or his/her immediate relatives, has a direct or indirect interest in any matter discussed at a meeting, such member shall disclose the nature and extent of the interest to the Nomination Committee as soon as possible.

Article 28 Upon the occurrence of the circumstances described in Article 27 of the Terms of Reference, any member who has an interest shall provide a detailed explanation of the relevant circumstances at the meeting of the Nomination Committee and expressly state that they will voluntarily abstain from voting. However, where other members of the Nomination Committee, after discussion, unanimously consider that such interest will not have a significant impact on the matter to be voted on, the interested member may participate in the voting.

If the Board of Directors of the Company considers it inappropriate for the interested member mentioned in the preceding paragraph to participate in the voting, it may revoke the voting results of the relevant proposal and require the uninterested members to re-vote on the relevant proposal.

Article 29 The Nomination Committee shall deliberate on and pass resolutions on proposals without counting interested members towards the quorum. Where the number of members is less than the minimum quorum for a meeting of the Nomination Committee after the interested members have abstained from voting, a resolution shall be passed by all members (including the interested members) on procedural issues such as submitting the said proposals to the Board of Directors of the Company for consideration, and the Board of Directors of the Company shall then consider such proposals.

Article 30 The minutes and resolutions of the meetings of the Nomination Committee shall specify the circumstances where any interested member was not counted in the quorum and did not participate in the voting.

CHAPTER VII SUPPLEMENTARY PROVISIONS

Article 31 As used in the Terms of Reference, the terms "above" and "within" are inclusive of the number itself; the term "more than half" is exclusive of the number itself.

Article 32 The Terms of Reference, having been considered and approved by the Board of Directors, shall become effective and be implemented from the date on which the H shares publicly offered by the Company are listed and traded on the Main Board of the Hong Kong Stock Exchange. The power of interpretation of the Terms of Reference shall be vested in the Board of Directors of the Company.

Article 33 Any matters not covered by the Terms of Reference shall be handled in accordance with the provisions of relevant laws, regulations, departmental rules, the Listing Rules and other relevant regulatory rules of the place of listing, and the Articles of Association; in the event of any conflict between the Terms of Reference and the provisions of relevant laws, regulations, departmental rules, the Listing Rules and other relevant regulatory rules of the place of listing, or the Articles of Association, the provisions of the laws, regulations, departmental rules, the Listing Rules and other relevant regulatory rules of the place of listing, and the Articles of Association shall prevail, and the Terms of Reference shall be amended accordingly as soon as possible and submitted to the Board of Directors for consideration and approval.