SG Micro Corp

Terms of Reference of the Nomination Committee of the Board of Directors

(2025 Revision)

Considered and approved at the 11th meeting of the Fifth Session of Board of Directors

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Chapter 1 General Provisions

Article 1 In order to improve the corporate governance structure of SG Micro Corp (the "**Company**"), the Company has established the Nomination Committee of the Board of Directors (the "**Nomination Committee**") and enacted these Terms of Reference in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Articles of Association of SG Micro Corp (the "**Articles of Association**"), and other relevant provisions.

Article 2 The Nomination Committee of the Board of Directors is a specialized body established by the Board of Directors in accordance with the Articles of Association. Its primary responsibility is to review and make recommendations regarding the candidates, selection criteria, and procedures for the Company's Directors and senior management officers.

Chapter 2 Composition

Article 3 The Nomination Committee consists of three Directors, two of whom are Independent Directors.

Article 4 Members of the Nomination Committee shall be nominated by the Chairperson of the Board, at least half of the Independent Directors, or at least one-third of all Directors, and shall be elected by the Board of Directors.

Article 5 The Nomination Committee shall have one convener, who shall be an Independent Director and responsible for convening committee meetings and presiding over the committee's work. The convener shall be elected from among the committee members and appointed upon approval by the Board of Directors.

Article 6 The term of office for members of the Nomination Committee shall be the same as their term of office on the Board of Directors. Upon the expiration of their term, members may be re-elected. If, during this period, a committee member ceases to serve as a Director of the Company, such member shall automatically lose his/her committee membership, and the Board of Directors shall fill the vacancy in accordance with the provisions of Articles 3 to 5 above.

Chapter 3 Duties and Authorities

Article 7 The Nomination Committee is responsible for formulating criteria and procedures for the selection of Directors and senior management officers, selecting and reviewing candidates for Directors and senior management officers and their qualifications, and making recommendations to the Board of Directors on the following matters:

(I) nomination or appointment and removal of Directors;

(II) appointment and dismissal of senior management officers;

(III) other matters prescribed by laws, administrative regulations, CSRC regulations and the Articles of Association of the Company.

If the Board of Directors does not adopt, or does not fully adopt, the recommendations of the Nomination Committee, it shall record the Nomination Committee's opinions and the specific reasons for non-adoption in the board resolution and disclose such information.

Article 8 The Nomination Committee shall be accountable to the Board. Its proposals shall be submitted to the Board for deliberation and decision.

Chapter 4 Working Procedures

Article 9 The Nomination Committee shall, in accordance with provisions of the relevant laws and regulations and the Articles of Association, as well as the practical situations of the Company, consider the criteria and procedures for selection, and terms of office of the Directors and senior management officers of the Company. After reaching a resolution, it shall file the resolution for the record and submit it to the Board of Directors for review and approval, and shall implement it accordingly.

Article 10 Procedures for the selection and appointment of Directors and senior management officers:

(I) The Nomination Committee shall actively communicate with the relevant departments of the Company, assess the Company's needs for new Directors and senior management officers, and present such information in written form;

(II) The Nomination Committee may extensively seek for candidates for Directors and senior management officers within the Company, its controlled and invested companies as well as in the recruitment market;

(III) The Nomination Committee shall collect the information on occupation, education background, job title, detailed work experience and all concurrent positions of the proposed candidates, and present such information in written form;

(IV) The Nomination Committee shall seek the consent of the proposed candidates for nomination; otherwise, they shall not be put on the list of candidates for Directors and senior management officers;

(V) The Nomination Committee shall convene the meeting of the Nomination Committee, and check the eligibility according to the qualifications required for Directors and senior management officers;

(VI) The Nomination Committee shall submit the recommendation and relevant materials about the candidates for Directors and senior management officers to the Board;

(VII) The Nomination Committee shall carry out other follow-up work according to the decisions and feedback of the Board.

Article 11 When Shareholders of the Company propose candidates for Directors to the Shareholders' Meeting in accordance with the relevant laws and regulations, the Company's Articles of Association, and other applicable provisions, they shall first submit the candidates' information to the Nomination Committee. The Nomination Committee shall review the candidates' qualifications in accordance with these Terms of Reference before submitting them to the Board of Directors, which will then make a recommendation to the Shareholders' Meeting.

Chapter 5 Rules of Procedures

Article 12 The convening and chairing of meetings of the Nomination Committee shall be the responsibility of the convener. If the convener is unable to perform his or her duties or fails to do so, another Independent Director serving on the committee shall be responsible for convening and chairing the meeting.

Article 13 All members of the Nomination Committee shall be notified at least three days prior to the meeting.

Article 14 A meeting of the Nomination Committee shall be held only when at least two-thirds of the members are present. Each member shall have one vote. The meeting resolutions shall be adopted by more than half of all the members.

Article 15 Voting at meetings of the Nomination Committee may be conducted by a show of hands or by ballot. Meetings of the Nomination Committee may be held by voting through correspondence.

Article 16 The Nomination Committee may invite members of the Board of Directors and senior management officers to attend its meetings as necessary.

Article 17 If necessary, the Nomination Committee may engage professional intermediaries to provide professional opinions, with the cost borne by the Company.

Article 18 When the Nomination Committee discusses matters involving a conflict of interest for a committee member, the interested member shall recuse himself/herself. A meeting of the Nomination Committee may be held if a majority of its disinterested members are present, and resolutions adopted at such meetings must be approved by a majority of the disinterested members present. If the number of disinterested members present is less than half of the total number of disinterested members of the Nomination Committee, the matter shall be submitted to the Board of Directors for consideration.

Article 19 The procedures for convening meetings of the Nomination Committee, the methods of voting, and the resolutions adopted at such meetings shall comply with the relevant laws, regulations, the Company's Articles of Association, and these Terms of Reference.

Article 20 The Nomination Committee meeting shall have meeting minutes, which shall be signed by the members attending the meeting and shall be maintained by the Board Secretary.

Article 21 The resolutions adopted by the Nomination Committee meeting and voting results shall be reported to the Board in written form.

Article 22 All members and relevant personnel attending the meeting are bound by a duty of confidentiality regarding the matters discussed at the meeting. They shall not disclose any related information to any person without authorization until such matters have been reviewed and approved by the Shareholders' Meeting or the Board of Directors and publicly disclosed, except where required by law or by a mandatory order from a competent authority.

Chapter 6 Supplementary Provisions

Article 23 These Terms of Reference shall take effect and be implemented upon approval by the Board of Directors.

Article 24 Unless otherwise specified, the term "at least" in these Terms of Reference includes the number itself, while the terms "more than" and "less than" exclude the number itself.

Article 25 Any matters not covered by these Terms of Reference shall be handled in accordance with relevant national laws, regulations, normative documents, and the Company's Articles of Association. In the event of any inconsistency between these Terms of Reference and the relevant provisions of the relevant laws, regulations, normative documents, or the Company's Articles of Association, the relevant provisions of relevant laws, regulations, normative documents, and the Company's Articles of Association shall prevail. If these Terms of Reference conflict with any laws, regulations, or normative documents promulgated by the state in the future, or with the Articles of Association as amended through lawful procedures, the provisions of the relevant laws, regulations, normative documents, and Articles of Association shall prevail, and these Terms of Reference shall be amended immediately and submitted to the Board of Directors for review and approval.

Article 26 The right to interpret these Terms of Reference shall reside with the Board.

SG Micro Corp
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