# Circuit Fabology Microelectronics Equipment Co., Ltd.

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

**(Applicable after H-share issuance and listing)**

**August, 2025**

## CHAPTER I General Provisions

**Article 1** To further establish and improve the selection criteria and procedures for the directors and senior management of Circuit Fabology Microelectronics Equipment Co., Ltd. (hereinafter referred to as the "Company") and to perfect its corporate governance structure, the Company has specially 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, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange Listing Rules**"), the Articles of Association of Circuit Fabology Microelectronics Equipment Co., Ltd. (hereinafter referred to as the "**Articles of Association**"), and other relevant laws, administrative regulations, departmental rules and other normative documents.

**Article 2** The Nomination Committee is a specialized working body of the Board of Directors established in accordance with the Articles of Association. It is primarily responsible for reviewing the selection procedures, criteria, and qualifications for the Company's directors (including independent directors) and senior management, and making recommendations to the Board of Directors.

## CHAPTER II Composition

**Article 3** The Nomination Committee shall be composed of at least three directors including at least one director of a different gender, with a majority of them being independent directors.

**Article 4** Members of the Nomination Committee shall be nominated by the Chairman of the Board, one-half or more of the independent directors, or one-third or more of all directors, and shall be elected by the Board of Directors.

**Article 5** Members of the Nomination Committee must meet the following conditions:

(i) Not being subject to any prohibitive circumstances stipulated in the Company Law or the Articles of Association that would disqualify them from serving as a director or senior management member of the Company;

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

(iii) Not having been subject to administrative penalties by the CSRC for major violations of laws and regulations within the last three years;

(iv) Possessing good moral character, being familiar with the industry in which the Company operates, having certain capabilities in macroeconomic analysis and judgment, and relevant professional knowledge or work experience;

(v) Meeting other conditions stipulated by relevant laws, regulations, or the Articles of Association.

Persons who do not meet the qualifications for office stipulated in the preceding article shall not be elected as members of the Nomination Committee. If a member of the Nomination Committee encounters circumstances during their term of office that make them unsuitable for the position as stipulated in the preceding article, the member shall voluntarily resign or be removed by the Company's Board of Directors.

**Article 6** The Nomination Committee shall have one Chairman, who shall be an independent director and appointed with the approval of the Board of Directors. The Chairman shall act as the convener and be responsible for presiding over the work of the Nomination Committee.

**Article 7** The term of office of members of the Nomination Committee shall be consistent with that of directors. Upon expiry of their term, members shall be eligible for re-election. During their term, should a member cease to be a director of the Company, or should an independent director member no longer meet the independence requirements stipulated in the Articles of Association, they shall automatically lose their membership status, and the Board of Directors shall fill the vacancy in accordance with Articles 3 to 5 above.

**Article 8** A member of the Nomination Committee may resign before the expiry of his/her term. The member shall submit a written resignation report to the Board of Directors. The resignation will become effective only after being approved by the Board of Directors. Before the newly elected member assumes office, the original member shall continue to perform his/her relevant duties in accordance with these terms of reference.

**Article 9** The Nomination Committee may, depending on the actual situation, consider establishing a working group to handle daily liaison and meeting organization. Members of the working group are not required to be members of the Nomination Committee.

## CHAPTER III Duties and Powers

**Article 10** The Nomination Committee of the Company's Board of Directors is responsible for:

(i) to study the selection criteria and procedures for directors and senior management and make recommendations;

(ii) to select qualified candidates for directors and senior management;

(iii) to review candidates for directors and senior management and make recommendations;

(iv) to review at least annually the structure, size and composition of the Board (including skills, knowledge, diversity policy and experience) and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(v) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

(vi) to assess the independence of the independent non-executive directors;

(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 officer); and

(viii) to deal with other matters as stipulated by laws and regulations, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association and as authorised by the Board of Directors.

**Article 11** The Nomination Committee of the Company's Board of Directors is responsible for formulating the selection criteria and procedures for directors and senior management, selecting and reviewing candidates for directors and senior management 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 or dismissal of senior management (excluding the chief financial officer);

(iii) Other matters stipulated by laws, administrative regulations, rules of the CSRC, and the Articles of Association.

If the Board of Directors does not adopt, or only partially adopts, the recommendations of the Nomination Committee, it shall record the Committee's views and the specific reasons for non-adoption in the board resolution and disclose them.

**Article 12** The Nomination Committee is responsible to the Board of Directors. Proposals of the Nomination Committee shall be submitted to the Board of Directors for deliberation and decision. The Nomination Committee shall review the qualifications of nominees and form a clear review opinion.

The Nomination Committee shall provide all materials, information, and details of its research and discussions to the Board of Directors in the form of reports, recommendations, or summaries to inform the Board's deliberations and decisions.

If the Board of Directors does not adopt or does not fully adopt the recommendations of the Nomination Committee, it shall record the opinions of the Nomination Committee and the specific reasons for not adopting them in the resolutions of the Board of Directors and make a disclosure.

Members of the Nomination Committee must undertake duties of loyalty and diligence to the Company in accordance with the provisions of laws, regulations, and the Articles of Association. Reports and resolutions made by the Nomination Committee must comply with the requirements of laws, regulations, and the Articles of Association. The Board of Directors has the right to veto reports or resolutions made by the Nomination Committee that do not comply with laws, regulations, and the Articles of Association.

## CHAPTER IV Working Procedures

**Article 13** In accordance with relevant laws, administrative regulations, other normative documents, and the Articles of Association, and taking into account the Company's actual situation, the Nomination Committee shall study the selection criteria, selection procedures, and term of office for the Company's directors and senior management, form resolutions for submission to the Board of Directors for review and approval, and implement them accordingly.

**Article 14** The selection and appointment procedures for directors and senior management:

(i) The Nomination Committee shall actively communicate with relevant departments of the Company to study the Company's needs for new directors and senior management and prepare written materials accordingly;

(ii) The Nomination Committee may conduct a broad search for candidates for directors, general manager and other senior management within the Company, its holding (or equity-participating) companies, and in the talent market;

(iii) Information on shortlisted candidates, including their profession, educational background, professional titles, detailed work experience and all concurrent positions, shall be collected and documented in writing;

(iv) The consent of the nominee to the nomination shall be obtained; otherwise, such person cannot be considered a candidate for director or senior management;

(v) Meetings of the Nomination Committee shall be convened to conduct qualification reviews of shortlisted candidates in accordance with the eligibility criteria for directors and senior management;

(vi) One to two months prior to the election of new directors and the appointment of new senior management, recommendations on candidates for directors and newly appointed senior management, together with relevant materials, shall be submitted to the Board of Directors;

(vii) Other follow-up work shall be carried out in accordance with the decisions and feedback of the Board of Directors. If necessary, the Nomination Committee may engage intermediary institutions to provide professional advice for its decision-making, and the expenses thus incurred shall be borne by the Company.

## CHAPTER V Rules of Procedure

**Article 15** Meetings of the Nomination Committee may be convened from time to time by the Chairman or upon the proposal of another member. If a meeting is proposed by another member, the Chairman shall convene the meeting within 5 days of receiving the proposal. Meetings of the Nomination Committee shall be presided over by the Chairman.

**Article 16** The notice of a Nomination Committee meeting may be given by fax, telephone, email, SMS, personal delivery, or written notice, provided that the meeting materials can be delivered simultaneously; The time limit for the notice is: 3 days before the meeting is held; However, in case of an emergency, an extraordinary meeting may be convened at any time after confirming that all persons who should attend the meeting have received the notice of the meeting. The notice of meeting shall include the following:

(i) the date and place of the meeting;

(ii) the reasons and agenda for the meeting;

(iii) the date on which the notice is issued.

The materials for the Nomination Committee meeting shall be delivered to all members and relevant attendees along with the notice of the meeting.

**Article 17** Members of the Nomination Committee shall attend meetings in person. If a member is unable to attend for any reason, he/she may entrust another member in writing to attend on his/her behalf, and the entrusted proxy shall be an independent director member. The power of attorney shall specify the name of the proxy, the matters to be proxied, the scope of authority and the period of validity, and shall be signed or sealed by the principal. A member attending a meeting on behalf of another shall exercise rights within the scope of the authorization. A member who neither attends a Nomination Committee meeting nor appoints a representative to attend shall be deemed to have waived his/her voting right at that meeting.

**Article 18** A meeting of the Nomination Committee may be held only when 2/3 or more of the members (including members who have entrusted other members in writing to attend the meeting) are present; Each Committee member shall have one vote. Resolutions made at the meeting must be passed by more than half of all members.

**Article 19** The voting method for Nomination Committee meetings shall be by recorded vote; Extraordinary meetings may be held by way of voting by correspondence.

**Article 20** The procedures for convening meetings of the Nomination Committee, voting methods, and proposals adopted at such meetings must comply with the provisions of relevant laws, administrative regulations, other normative documents, the Articles of Association, and these Terms of Reference.

**Article 21** Minutes shall be taken for meetings of the Nomination Committee, and the Committee members attending the meeting shall sign the minutes; The minutes shall be kept by the Company Secretary. The draft and final versions of the minutes shall be sent to all members of the Committee within a reasonable time after the meeting, the draft being for members' comment and the final version being the record thereof. Directors of the Company shall have the right to inspect the minutes at any reasonable time upon reasonable notice.

**Article 22** Proposals and voting results adopted at the meetings of the Nomination Committee shall be reported to the Company's Board of Directors in writing.

**Article 23** All members attending the meeting and non-voting attendees shall have a duty of confidentiality regarding the matters discussed at the meeting and shall not disclose any related information without authorization.

## CHAPTER VI Supplementary Provisions

**Article 24** Unless otherwise specified, terms used in these Terms of Reference shall have the same meanings as defined in the Articles of Association.

**Article 25** Matters not covered by these Terms of Reference shall be handled in accordance with the provisions of relevant national laws, administrative regulations, other normative documents and the Articles of Association; Should these Terms of Reference conflict with any subsequently promulgated national laws, administrative regulations, other normative documents, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, the latter shall prevail, and these Terms of Reference shall be amended in a timely manner and submitted to the Company's Board of Directors for review and approval.

**Article 26** In these Terms of Reference, the terms "above" and "below" are inclusive of the stated number; the terms "less than" and "more than" are exclusive of the stated number.

**Article 27** The Board of Directors shall be responsible for the formulation, amendment and interpretation of these Terms of Reference.

**Article 28** These Terms of Reference shall be approved by the Board of Directors and shall take effect and be implemented from the date on which the H shares issued by the Company are listed on The Stock Exchange of Hong Kong Limited. Upon the implementation of these Terms of Reference, the existing Terms of Reference of the Nomination Committee of the Company shall automatically lapse.

**Circuit Fabology Microelectronics Equipment Co., Ltd.**

August, 2025