

Red Avenue New Materials Group Co., Ltd.

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

CHAPTER I GENERAL PROVISIONS

Article 1 In order to regulate the selection and appointment of directors, the President, and other senior management personnel of Red Avenue New Materials Group Co., Ltd. (the “**Company**”), optimize the composition of the Company’s Board of Directors, and improve the Company’s corporate governance structure, the Company has established the Nomination Committee of the Board of Directors (the “**Nomination Committee**”) and formulated 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the Articles of Association of Red Avenue New Materials Group Co., Ltd. (the “**Articles of Association**”), and other relevant laws, regulations, and provisions.

Article 2 The Nomination Committee is a specialized committee established by the Board of Directors pursuant to the Articles of Association. Its primary responsibilities include researching, reviewing, and making recommendations on the candidates, selection criteria, and procedures for the Company’s directors, as well as for the President and other senior management personnel who are to be appointed by the Board of Directors.

CHAPTER II COMPOSITION OF MEMBERS

Article 3 The Nomination Committee shall consist of three directors, two of whom shall be independent directors. The Nomination Committee shall appoint at least one director of a different gender.

Article 4 Members of the Nomination Committee shall be elected by the Board of Directors.

Article 5 The Nomination Committee shall have one chairman, who shall be an independent director and responsible for convening and presiding over meetings of the Nomination Committee. The chairman shall be elected by the members of the Nomination Committee and approved 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 as directors of the Board. Members may be re-elected upon the expiration of their term. Where a member ceases to serve as a director of the Company during his or her term, he or she shall automatically cease to be a member of the Nomination Committee, and the Board of Directors shall appoint a replacement in accordance with Articles 3 to 5 above.

Article 7 The Nomination Committee shall establish an Nomination Department, specifically responsible for preparing Nomination Committee meetings and relevant meeting materials. Members of the Nomination Department shall be appointed by the Nomination Committee.

CHAPTER III DUTIES AND POWERS

Article 8 The principal duties and powers of the Nomination Committee shall include the following:

- (1) Making recommendations to the Board of Directors regarding the size and composition of the Board of Directors based on the Company's business activities, asset scale, and equity structure;
- (2) Researching the selection criteria and procedures for directors, the President, and other senior management personnel and making recommendations to the Board of Directors;
- (3) Identifying qualified candidates for directors, the President, and other senior management personnel, and selecting or recommending suitable individuals for appointment as directors, the President, and other senior management personnel to the Board of Directors;
- (4) Reviewing and making recommendations on candidates for directors (including independent directors), the President, and other senior management personnel;
- (5) Formulating and reviewing regularly measurable objectives for the implemented Board diversity policy, and monitoring the progress of objective implementation;
- (6) Reviewing the structure, size, and composition of the Board of Directors (including skills, knowledge, and experience) at least annually, assisting the Board of Directors in preparing a Board skills matrix, and making recommendations on the proposed changes to the Board of Directors to align with the Company's strategy;
- (7) Assessing the independence of independent directors;
- (8) Making recommendations to the Board of Directors regarding the appointment or reappointment of directors, the President, and other senior management personnel, as well as succession plans for directors (especially the chairman), the President (especially the chief executive officer), and other senior management personnel, and proposing candidates for the next Board of Directors to the current Board of Directors during board re-election;
- (9) Supporting the Company in regularly evaluating the performance of the Board of Directors;

- (10) Formulating, reviewing and assessing the suitability of the Company's corporate governance guidelines, proposing amendments to the Board of Directors for its consideration, and inspecting and overseeing the training and continuous professional development of directors and senior management personnel;
- (11) Conducting an annual review of these Terms of Reference and the effectiveness of its powers, and proposing any amendments it deems necessary to the Board of Directors;
- (12) Exercising such rights as the Nomination Committee deems necessary and beneficial to enable it to reasonably perform the duties set out in Chapter III of these Terms of Reference;
- (13) Other matters authorized by the Board of Directors.

Article 9 The Nomination Committee is accountable to the Board of Directors, and its proposals shall be submitted to the Board of Directors for deliberation and decision. Controlling shareholders shall fully respect the recommendations of the Nomination Committee unless there are sufficient reasons or reliable evidence to the contrary; otherwise, they shall not propose alternative candidates for directors, the President, or other senior management personnel.

Article 10 The Nomination Committee is responsible for formulating the selection criteria and procedures for directors and senior management, for selecting and reviewing candidates for directors and senior management and their qualifications, and for making recommendations to the Board of Directors on the following matters:

- (1) Nomination or dismissal of directors;
- (2) Appointment or dismissal of senior management;
- (3) Other matters stipulated by laws, administrative regulations, the China Securities Regulatory Commission, and the Articles of Association.

Where the Board of Directors does not adopt or fully adopt the opinions of the Nomination Committee, the Board of Directors resolution shall record the opinions of the Nomination Committee and the specific reasons for non-adoption and shall be disclosed.

CHAPTER IV WORKING PROCEDURES

Article 11 The Nomination Committee shall, in accordance with relevant laws, regulations, and the Articles of Association, and in consideration of the Company's actual situation, research the election conditions, selection procedures, and terms of office for the Company's directors, the President, and other senior management personnel, form a resolution, file it, and submit it to the Board of Directors for review and approval, and then implement it accordingly.

Article 12 Selection procedures for directors, the President, and other senior management personnel are as follows:

- (1) The Nomination Committee shall actively communicate with relevant departments of the Company, study the Company's demand for new directors, the President, and other senior management personnel, and prepare written materials;
- (2) The Nomination Committee may extensively search for candidates for directors, the President, and other senior management personnel within the Company, its controlling (or affiliated) enterprises, and the talent market, among other places;
- (3) Collecting the information on the initial candidates' profession, education, professional titles, detailed work experience and all concurrent positions, and forming written materials;
- (4) Seeking the nominated person's consent to the nomination; otherwise, he or she cannot be considered as a candidate for director, the President, or other senior management personnel;
- (5) Convening a meeting of the Nomination Committee to conduct a qualification review of the initial candidates based on the qualifications required for directors, the President, and other senior management personnel;
- (6) Submitting recommendations and relevant materials to the Board of Directors regarding candidates for directors and the newly appointed president and other senior management personnel;
- (7) Performing other follow-up work based on the decisions and feedback of the Board of Directors.

Article 13 When the shareholders propose director candidates to the shareholders' meeting in accordance with relevant laws, regulations, the Articles of Association, and other pertinent provisions, they must first submit the director candidate information to the Nomination Committee. The Nomination Committee shall then conduct a qualification review of the director candidates, as stipulated by these Terms of Reference, before submitting them to the Board of Directors, which will then make recommendations to the shareholders' meeting.

CHAPTER V RULES OF PROCEDURE

Article 14 A meeting of the Nomination Committee may be convened upon the proposal of two or more members, or when the chairman deems it necessary.

Article 15 Meetings of the Nomination Committee shall be convened and presided over by the chairman. Where the chairman is unable or fails to perform their duties, another independent director member shall convene and preside over the meeting.

Article 16 Notice of a meeting of the Nomination Committee specifying the time, venue and matters to be considered shall be given to all members five days prior to the meeting.

In urgent circumstances where a meeting needs to be convened promptly, the above time requirement may be waived, and notice of the meeting together with relevant materials and information may be given at any time by telephone or other means, provided that the convener shall provide an explanation at the meeting.

Article 17 A meeting of the Nomination Committee shall be validly convened only when no less than two-thirds of the members are present. Each member shall have one vote. Resolutions of the meeting shall be passed by more than half of all members of the Nomination Committee.

Article 18 The Nomination Committee shall hold at least one meeting a year to determine, review, and consider the Company's nomination procedures for the appointment, re-appointment, and removal of directors, the implementation of the aforementioned matters for the relevant year, and the submission of director candidate recommendations to the Board of Directors. It shall also review the Board's diversity policy adopted from time to time, any measurable objectives set to implement that policy, and the progress in achieving those objectives. Additionally, it shall assess the time commitment and contribution of each director to the Board of Directors, and whether directors are effectively fulfilling their duties.

Article 19 Resolutions of the Nomination Committee shall be made by show of hands, poll voting, or written communication. Meetings of the Nomination Committee shall in principle be held in person. Provided that all participating members are able to fully communicate and express their views, meetings may, where necessary and in accordance with proper procedures, be held by video conference, telephone or other means, and participation in such manner shall be deemed as attendance in person at the relevant meeting.

Article 20 Where necessary, the Nomination Committee may invite the Company's directors, the President, and other senior management personnel to attend its meetings.

Article 21 In performing its duties, the Nomination Committee shall be supported by the relevant departments of the Company. Where necessary, the Nomination Committee may engage independent professional intermediaries to provide professional advice for its decision-making, with the cost to be borne by the Company.

Article 22 Where a matter under discussion at a meeting of the Nomination Committee involves a conflict of interest with a member of the Nomination Committee, such member shall abstain from participation. A meeting may be convened provided that more than half of the members without a conflict of interest are present, and any resolution shall be passed by more than half of the members without a conflict of interest. Where the

number of members without a conflict of interest attending the meeting is less than half of the total number of members without such conflict, the matter shall be submitted to the Board of Directors for consideration.

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

Article 24 Nomination Committee meetings shall have minutes, and the attending members shall sign the minutes. The minutes shall be kept by the Board Secretary.

Article 25 Nomination Committee members shall attend meetings in person. Where a member is unable to attend the meeting in person for any reason, such member shall review the meeting materials in advance, form a clear opinion, and authorize another member in writing to attend on his or her behalf. However, independent director members may not authorize non-independent director members to attend meetings on their behalf.

Article 26 Unless required by statutory reasons or compulsory orders of competent authorities, members and other relevant personnel attending the meeting shall maintain confidentiality regarding the matters discussed at the meeting. Prior to the approval and public disclosure of such matters by the shareholders' meeting or the Board of Directors, no information relating to the meeting shall be disclosed to any person without authorization.

CHAPTER VI BOARD DIVERSITY POLICY

Article 27 When performing its relevant duties, the Nomination Committee shall consider the Board diversity policy stipulated in these Terms of Reference, monitor the implementation of that policy, and review and revise it when appropriate to ensure its effectiveness.

Article 28 When reviewing the size and composition of the Board of Directors, and searching for and proposing candidates for directors, the Nomination Committee shall consider relevant factors to achieve the Board diversity, based on the Company's business model and specific needs. The Nomination Committee may consider the Board diversity from various aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service. After considering the aforementioned relevant factors, the Nomination Committee shall make a final recommendation for appointment to the Board of Directors based on the strengths of the director candidates and their potential contributions to the Board of Directors.

CHAPTER VII SUPPLEMENTARY PROVISIONS

Article 29 These Terms of Reference, upon approval by resolution of the Board of Directors, shall become effective and implemented from the date on which the Company's issuance of H Shares is filed with the China Securities Regulatory Commission and the H Shares are listed and commence trading on The Stock Exchange of Hong Kong Limited. Upon the effective date of these Terms of Reference, the Company's previous Terms of Reference of the Nomination Committee of the Board of Directors shall automatically lapse.

Article 30 The terms "above" and "at least" as used in these Terms of Reference include the stated number.

Article 31 Unless otherwise expressly provided by applicable laws, administrative regulations or the securities regulatory rules of the place where the Company's shares are listed, the term "independent director" referred to in these Terms of Reference shall have the same meaning as "independent non-executive director" under the Listing Rules.

Article 32 Matters not covered in these Terms of Reference shall be governed by the relevant provisions of applicable national laws and regulations, normative documents, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association. Where these Terms of Reference are inconsistent with any applicable laws, regulations, normative documents, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, the provisions of such laws, regulations, normative documents, securities regulatory rules and the Articles of Association shall prevail. Where these Terms of Reference conflict with any laws, regulations or normative documents promulgated by the State in the future, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association as amended in accordance with lawful procedures, the relevant provisions of such laws, regulations, normative documents, securities regulatory rules and the Articles of Association shall prevail, and these Terms of Reference shall be amended accordingly without delay and submitted to the Board of Directors for consideration and approval.

Article 33 The Nomination Committee shall make its Terms of Reference publicly available on the Company's website and the website of The Stock Exchange of Hong Kong Limited, explaining its role and the authority delegated to it by the Board of Directors.

Article 34 In the event of any discrepancy between the Chinese and English versions of these Terms of Reference, the Chinese version shall prevail.

Article 35 The right of interpretation of these Terms of Reference shall vest in the Board of Directors.

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