MicroTech Medical (Hangzhou) Co., Ltd.
Terms of Reference of the Nomination Committee under the Board of Directors

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to improve the corporate governance structure, regulate the election of directors and senior management of the Company and optimize the composition of the Board of Directors, and in accordance with the Company Law of the People's Republic of China, the Articles of Association of MicroTech Medical (Hangzhou) Co., Ltd. (hereinafter referred to as the "**Articles of Association**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Hong Kong Listing Rules**") as well as other relevant provisions, the Company has set up a Nomination Committee under the Board and formulated these rules.

Article 2 As a discussion body under the Board in accordance with a resolution at a general meeting, the Nomination Committee is mainly responsible for selecting and submitting proposals on the standards and procedures for selecting candidates for directorship and senior management of the Company.

CHAPTER 2 COMPOSITION

Article 3 The Nomination Committee shall comprise at least three directors, over half of whom shall be independent non-executive directors. The Nomination Committee shall have at least one director of a different gender.

Article 4 The members of the Nomination Committee (hereinafter referred to as the "**Members**") shall be nominated by the chairman of the Board, more than half of the independent non-executive directors or more than one-third of all directors for election by the Board.

Article 5 The Nomination Committee shall have one chairman who shall be the chairman of the Board or an independent non-executive director and be responsible for convening and presiding over the committee meetings. The chairman shall be internally elected from members of the Nomination Committee.

Article 6 The company secretary of the Company shall act as the Secretary of the Nomination Committee. In the absence of the Secretary, his/her delegate(s) or any person elected by the members present at the Nomination Committee meeting shall attend the Nomination Committee meeting and take minutes.

Article 7 The term of office of the members of the Nomination Committee shall be consistent with the term of members of the Board of the same term. A member of the Committee may serve consecutive terms if re-elected upon the expiry of his/her term of office. Unless in the circumstances as specified in the Company Law, Articles of Association, Hong Kong Listing Rules or relevant laws and regulations where a person is prohibited from acting as a member, no member shall be removed from his/her duties without cause before his/her term of office expires. If any member of the Nomination Committee ceases to be a director of the Company or who shall be an independent non-executive director no longer meets relevant independence requirements as set out in the Hong Kong Listing Rules during his/her term of office, his/her membership in the Committee shall lapse automatically, and the vacancy shall be filled up by the Board in accordance with the Article 3 to Article 5 above.

Article 8 Where the members of the Nomination Committee fail to meet the requirements under Rules 3.27A and 3.27B of Hong Kong Listing Rules, the Board shall, according to the Hong Kong Listing Rules, immediately state relevant details and reasons by announcement, and appoint a suitable person to meet the relevant requirements in a timely manner, acting reasonably and using its best endeavours (and in any event within three months from the date of failing to comply with the relevant requirements).

CHAPTER 3 DUTIES AND AUTHORITIES

Article 9 Without prejudice to any requirement under the Corporate Governance Code, the main duties and authorities of the Nomination Committee include the following:

(I) Studying and formulating the selection criteria and procedures for directors, general manager and other senior management of the Company and important subsidiaries, and making opinions or recommendations thereon;

(II) Searching extensively for and providing qualified candidates for the roles of general manager and other senior management;

(III) Examining and verifying candidates for the roles of director, general manager and other senior management, and making opinions or recommendations thereon;

(IV) Reviewing the structure, size, composition and diversity (including the skills, knowledge, experience, gender, age, cultural and educational background, and length of service) of the Board at least annually according to the Company's business activities, asset size and equity structure, assisting the Board in maintaining a board skills matrix, and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, and conducting an annual assessment of each Director's time commitment and contributions to the Board, as well as the ability to discharge his/her responsibilities effectively;

(V) Making recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors (in particular, the chairman and the general manager);

(VI) Identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of, individuals nominated for directorships;

(VII) Assessing the independence of independent non-executive directors;

(VIII) When identifying and nominating individuals to become independent non-executive directors, to assess whether and why such individuals would be able to devote sufficient time to the Board if he/she will be holding his/her seventh (or more) listed company directorship;

(IX) Before appointments are made by the Board, evaluating the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation preparing a description of the roles and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall, where applicable and appropriate:

1. Using public advertising or the services of external recruiters to facilitate the search;

2. Considering candidates from a wide range of backgrounds;

3. Considering candidates on merit and against objective criteria, taking note that appointees should have enough time to fulfill the responsibilities of the position;

4. Making recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors (in particular the chairperson of the Board and the chief executive);

5. Implementing any such matters to enable the Committee to discharge its powers and functions conferred on it by the Board;

6. Where the Board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:

    a) The process used for identifying the individual and 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 their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;

    c) The perspectives, skills and experience that the individual can bring to the Board;

    d) How the individual contributes to diversity of the Board.

(X) Evaluating the structure of various committees under the Board, recommending directors to serve as members of relevant committees, which shall be subject to the approvals of the Board, and supporting the Company's regular evaluation of the Board's performance;

(XI) Developing, reviewing, implementing and monitoring, as appropriate, the policy for nomination of directors (the "**Nomination Policy**"), and making disclosure in the Company's corporate governance report annually. The Nomination Policy shall set out, inter alia, the nomination procedures, process and criteria to select and recommend candidates for directorship;

(XII) Developing the Board Diversity Policy and considering factors including but not limited to the following factors: gender, age, culture, perspectives, education background, and previous experience; reviewing and implementing the policy and monitoring the progress on achieving the objectives set for implementing the policy and to make disclosure of the policy or a summary of the policy including any measurable objectives that it has set for implementing the policy, and progress on achieving those objectives, the results of its review of the Board Diversity Policy in the corporate governance report annually;

(XIII) Ensuring that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly the expectations of them in terms of time commitment, committee service and involvement outside Board meetings;

(XIV) Developing, reviewing and assessing the adequacy of the corporate governance guidelines of the Company and recommending any proposed changes to the Board for approval;

(XV) Reviewing and monitoring the training and continuous professional development of the directors and senior management;

(XVI) Developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and directors;

(XVII) Reviewing the Company's compliance with the code and disclosing in the corporate governance report of the Company;

(XVIII) Implementing any such matters to enable the Committee to discharge its powers and functions conferred on it by the Board; and

(XIX) Reviewing other matters specified by laws, regulations, normative documents, Hong Kong Listing Rules, the securities regulatory authority in Hong Kong, Articles of Association, as well as matters provided in rules of procedure for the Board meetings and authorized by the Board.

Article 10 The Nomination Committee shall be accountable to the Board, and shall submit its proposals to the Board for consideration and decision. In the absence of sufficient reason or reliable evidence, the controlling shareholders shall fully respect the proposals made by the Nomination Committee; otherwise, they shall not propose substitutive candidates for the roles of directors and managers.

Article 11 The Committee shall be provided with sufficient resources to perform its duties and shall seek, at the Company's expense, independent professional advice to perform its responsibilities if necessary.

Article 12 The Committee is authorised by the Board to investigate any activity within its terms of reference. It is also authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

Article 13 Management of the Company is obliged to supply the Committee with adequate data in a timely manner, enabling it to make informed decisions. The data supplied must be complete and reliable. Where a member of the Committee requires more information than the information provided voluntarily by the management, the relevant member of the Committee should make additional necessary enquiries. Each member of the Committee shall have separate and independent access to the management of the Company.

Article 14 On an annual basis, the Committee shall evaluate and assess the effectiveness of the Committee and the adequacy of these Committee Terms of Reference and recommend any proposed changes to the Board.

Article 15 In accordance with the provisions of relevant laws and regulations, Hong Kong Listing Rules and the Articles of Association, the Nomination Committee shall study the selection criteria and procedures and the terms of office for the directors and senior management, with reference to the Company's actual situation. Any resolution made in this regard shall be filed and submitted to the Board for approval and shall be implemented accordingly.

Article 16 **The Nomination Committee shall observe the following procedures while the Company selects directors, managers and other senior management:**

1. Actively communicate with relevant departments and study the demand of the Company for new directors, managers and other senior management and present such information in writing;

2. Search extensively for candidates for directors, managers and other senior management within the Company and its holding (associate) enterprises and in the human resources market;

3. Collect information about the occupation, academic qualifications, titles, detailed work experience and all part-time work experience of the shortlisted candidates and produce written reports;

4. Obtain consent from the nominees regarding the nomination; otherwise, they shall not be considered as candidates for directors, managers and other senior management;

5. Convene a meeting of the Nomination Committee and conduct a qualification review on the shortlisted candidate(s) according to the employment requirements of directors, managers and other senior management;

6. The Nomination Committee shall make suggestions to the Board regarding the candidates for directors, managers and other senior management and submit relevant information to the Board according to the Articles of Association within two months prior to the election of new directors and appointment of new managers and other senior management;

7. Carry out other follow-up work according to the decisions of and feedback of the Board.

Article 17 The chairman of the Nomination Committee shall attend the annual general meeting and answer shareholders ' questions in relation to the duties of the Nomination Committee. If the chairman of the Nomination Committee is unable to attend the annual general meeting, other member shall attend the meeting; if such member is also unable to attend, appropriately authorised representative shall attend the meeting on his/her behalf.

Article 18 The Committee shall, from time to time, review its own performance, structure and terms of reference to ensure that it is operating effectively, and recommend any changes it considers to the Board for approval.

Article 19 The terms of reference may be amended, supplemented or revoked by the Board from time to time taking into consideration the operations of the Committee and its contribution to the corporate governance of the Company, as well as any amendments to the Listing Rules from time to time.

CHAPTER 4 CONVENING AND NOTICE OF A MEETING

Article 20 The Nomination Committee shall convene a meeting at least once every year and notify all its members five days prior to the meeting. In the event of emergency, a notice may be issued at any time regarding convening of an extraordinary meeting, and the chairman of the Nomination Committee shall make explanation at the meeting. The meeting shall be convened and presided over by the chairman of the Nomination Committee. If the chairman cannot fulfil his/her duties, he/she may appoint another member (independent non-executive director) to preside over the meeting; if the chairman neither fulfils his/her duties nor designates other member to fulfil the duties on his/her behalf, the other two members may negotiate to recommend one of them to fulfil the duties as the convener.

Article 21 The meetings may be held on site and in the form of written circular. If a meeting is held on site, telephone, video, etc. may be used to facilitate the members in attending the meeting. Any member who attends the meeting via the above mentioned approaches shall be deemed as having attended the onsite meeting.

Article 22 Voting at the meetings of the Nomination Committee shall be conducted by a show of hands or by poll. Where any member is unable to sign a resolution in real time during a telephone conference or video conference, he/she may first express his/her views orally and should sign in writing as soon as possible, and the subsequent written signature must be consistent with the oral views expressed at the meeting. Voting at an extraordinary meeting may also be conducted by means of communications.

CHAPTER 5 RULES OF PROCEDURE AND VOTING PROCEDURE

Article 23 Members of the Nomination Committee may attend the meeting in person or appoint another member to attend and vote on their behalf.

Article 24 Members who appoint another member to attend and vote on their behalf shall submit a power of attorney to the convener of the meeting. The power of attorney shall be submitted to the convener of the meeting no later than the voting of the meeting.

Article 25 The power of attorney shall at least include the following items:

(I) Name of the principal;

(II) Name of the proxy;

(III) Matters to be assigned;

(IV) Instruction on the exercise of voting right over the meeting topics (for, against or abstained) and, where no specific instruction is made, explanation on the capacity of proxy to vote on his/her will;

(V) Signature of the principal and signing date.

Article 26 Any member of the Nomination Committee who does not attend the meeting in person or by proxy shall be deemed as having not attended the relevant meeting. Any member of the Nomination Committee who does not attend the meeting for two consecutive times shall be deemed as unable to duly perform his/her functions and powers, and the Board may remove him/her from office.

Article 27 Meetings of the Nomination Committee may only be convened with the presence of more than two-thirds of its members. Each member shall have one vote. Resolutions of the meeting shall be passed by a majority of all the members of the committee voting in favor.

Article 28 Where any member of the Nomination Committee has any interest in the matters to be deliberated by the Nomination Committee, such member shall abstain from voting on the matters.

Article 29 The proposal corresponding to each meeting topic shall be deliberated in sequence after the presider of the meeting of the Nomination Committee announces commencement of the meeting.

Article 30 The Nomination Committee may have a free exchange of views on the meeting topics but shall pay attention to maintaining the order of the meeting. The chairman of the meeting shall have the right to determine the timing of discussion.

Article 31 Matters to be deliberated at the meetings of the Nomination Committee shall follow the rules of deliberating intensively and voted on in sequence, i.e., all proposals shall be voted on separately in order of deliberation after being deliberated by all attending members.

Article 32 Members of the Nomination Committee, if they deem necessary, may gather other persons relating to the meeting proposal to attend the meeting and give a briefing or express their opinions. However, those who are not members of the Nomination Committee have no voting right over the proposals. The directors and other senior management of the Company may be invited to attend meetings of the Nomination Committee without voting rights, where necessary.

Article 33 The senior management has the responsibility to provide enough information to the Nomination Committee in time, so as to help it make informed decisions. The information supplied must be complete and reliable. The Nomination Committee and its members may make further query, and independently contact the senior management when they deem necessary.

Article 34 Where necessary, the Nomination Committee may engage intermediate agencies to provide independent and professional advice for its decision-making, the cost of which shall be borne by the Company.

Article 35 The convening procedures, voting and passing of resolutions of a meeting of the Nomination Committee shall comply with relevant laws, regulations, Hong Kong Listing Rules, other provisions of the securities regulatory authority in Hong Kong, Articles of Association and these rules.

CHAPTER 6 RESOLUTIONS AND MINUTES OF THE MEETINGS

Article 36 The Nomination Committee shall keep minutes of the meetings. The members present at the meetings shall sign the minutes of the meetings, which shall be kept by the secretary of the Board for at least 10 years. The minutes should record in sufficient detail the matters considered at the meeting and the resolutions passed, including any concerns raised or dissenting views expressed by members of the committee. After conclusion of the meeting, the initial and finalized meeting minutes shall be sent to all the members in due time, with the initial ones to be commented on by the members and the final ones to be recorded. If any director gives a reasonable notice, the Company shall give the said director access to such minutes within reasonable time.

Article 37 Proposals and voting results adopted at the Nomination Committee meetings shall be reported to the Board in writing, unless such reporting is in conflict with the Nomination Committee's general responsibilities or cannot be made according to laws, regulations or regulatory requirements (e.g., disclosure is restricted due to regulatory requirements).

Article 38 Members present and attending the meeting shall be obliged to keep confidential all matters discussed at the meeting, and shall not disclose the relevant information without authorization.

CHAPTER 7 SUPPLEMENTARY PROVISIONS

Article 39 The phrases "more than" and "at least" as referred to herein are inclusive while "majority" is exclusive.

Article 40 These rules shall be published on the Company's website and the website of the stock exchange with which the Company's shares are listed.

Article 41 These rules shall take effect as from the date on which they are considered, approved and passed by the Board.

Article 42 Matters not covered herein shall be subject to relevant laws and regulations, Hong Kong Listing Rules, other provisions of the securities regulatory authority in Hong Kong and relevant provisions of the Articles of Association. If relevant provisions of these rules conflict with relevant laws and regulations, Hong Kong Listing Rules, other provisions of the securities regulatory authority in Hong Kong and the Articles of Association promulgated or amended thereafter, relevant laws and regulations, Hong Kong Listing Rules, other provisions of the securities regulatory authority in Hong Kong and the prevailing or amended Articles of Association shall apply.

Article 43 The authority of formulation and interpretation of these rules shall be vested in the Board.

(If there is any inconsistency between the English and Chinese versions of this document, the Chinese version shall prevail.)