

Zylox-Tonbridge Medical Technology Co., Ltd.

TERMS OF REFERENCE FOR THE NOMINATION COMMITTEE

1. MEMBERSHIP

- 1.1 Members of the Nomination Committee shall be appointed by the Board of the Company and shall consist of not less than three Directors.
- 1.2 The majority of the members of the Nomination Committee shall be independent non-executive Directors of the Company.
- 1.3 The appointment of the members of the Nomination Committee may be revoked, replaced or additional members may be appointed to the Nomination Committee by separate resolutions passed by the Board and by the Nomination Committee.
- 1.4 The term of each Nomination Committee member shall be the same as his/her term as a Director. Subject to the Articles of Association of the Company and the applicable laws and regulations, any member of the Nomination Committee may be re-appointed to the Board and continue to act as a member of the Nomination Committee upon expiry of his/her term of appointment relating thereof.
- 1.5 A member of the Nomination Committee who ceases to be a member of the Board shall immediately and automatically cease to be a member of the Nomination Committee and the Board shall fill the vacancy according to clause 1.1.
- 1.6 Each member of the Nomination Committee shall disclose to the Nomination Committee:
 - (1) any personal financial interest (other than as a shareholder of the Company) in any matter to be decided by the Committee; or
 - (2) any potential conflict of interest arising from a cross-directorship.

Any such member shall abstain from voting on resolutions of the Nomination Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions, and shall (if so required by the Board) resign from the Nomination Committee.

2. CHAIRMAN

The chairman of the Nomination Committee shall be appointed by the Board and shall either be the chairman of the Board or an independent non-executive Director.

3. SECRETARY

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

4. PROCEEDINGS OF THE COMMITTEE

- 4.1 Unless otherwise specified hereunder, the provisions contained in the Company's Articles of Association and rules for the Board (as amended from time to time) for regulating meetings and proceedings of Directors shall apply to the meetings and proceedings of the Nomination Committee.
- 4.2 Any resolution shall be passed by the majority votes of the members of the Nomination Committee who attend the meeting and a majority vote of the members present shall represent an act of the Nomination Committee.
- 4.3 The quorum for meetings of the Nomination Committee shall be two members, at least one of whom shall be an independent non-executive Director. A duly convened meeting of the Nomination Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Nomination Committee.
- 4.4 The Nomination Committee shall hold at least one regular meeting in each year. Additional meetings of the Nomination Committee may be held as and when required.
- 4.5 Attendance and conduct of the meetings
 - 4.5.1 Members of the Nomination Committee may attend meetings of the Nomination Committee either in person or through other electronic means of communication or in such other manner as the members may agree.
 - 4.5.2 The other Directors, Company Secretary (or his/her delegate(s)), human resources officer and relevant senior management and persons(s) invited by a member of the Nomination Committee may attend meetings of the Committee from time to time where the Nomination Committee considers their presence necessary or appropriate to assist the Nomination Committee to perform its duties, notwithstanding that the aforesaid persons shall not have a right to vote at such meetings.
 - 4.5.3 The Nomination Committee may, from time to time, invite advisors to the meeting, including but not limited to external advisors or consultants, to advise its members.

4.6 Notice of meetings

4.6.1 A meeting of the Nomination Committee may be convened by any of its members through the Company Secretary.

4.6.2 Unless otherwise agreed by all the members of the Nomination Committee, notice (containing details of the venue, time and date of the meeting) of at least 14 days shall be given for a regular meeting of the Nomination Committee. For all other meetings of the Nomination Committee, reasonable notice shall be given.

4.6.3 Agenda and accompanying supporting papers shall be sent to all members of the Nomination Committee and to other invited attendees as appropriate at least 3 days before the date of the meeting (or such other period as the members may agree).

4.7 Written resolutions

4.7.1 Without prejudice to any requirement under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), written resolution may be passed and adopted by all members of the Committee.

4.7.2 Written resolution signed by all members of the Committee shall be valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

4.8 Responsibilities and authorities of the Committee

4.8.1 The responsibilities and authorities of the Committee shall include such responsibilities and authorities set out in the relevant code provisions of the Corporate Governance Code (the “**CG Code**”) as contained in Appendix 14 of the Listing Rules (as amended from time to time).

4.8.2 Without prejudice to any requirement under the CG Code, the duties of the Committee include the following:

- (1) to review the structure, size and composition (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, industry and regional experience and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with due regard to the diversity of the Board;
- (2) to identify individuals suitably qualified to become Board members or make recommendations to the Board on the selection of individuals nominated for directorships, having due regard to the policy concerning diversity of Board members, the requirements in the Company's Articles of Association, the Listing Rules and applicable laws and regulations, and the relevant candidates' contributions to the Board in terms of qualifications, skills, experiences, independence and gender diversity. In identifying suitable individuals, the Committee shall consider individual on merit and against the objective criteria, with due regard for the benefits of diversity on the Board;
- (3) to assess the independence of independent non-executive Directors;
- (4) 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;
- (5) 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:
 - (i) use public advertising or the services of external recruiters to facilitate the search;
 - (ii) consider candidates from a wide range of backgrounds;
 - (iii) consider candidates on merit and against objective criteria, taking note that appointees should have enough time to devote to the position;
 - (iv) make recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors, in particular the chairman of the Board and the chief executive;
 - (v) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board;

- (vi) 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:
- 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;
 - if the proposed independent non-executive Director will be holding his/her seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;
 - the perspectives, skills and experience that the individual can bring to the Board;
 - how the individual contributes to diversity of the Board; and
- (vii) set a policy concerning diversity of Board members, and should disclose the policy or a summary of the policy in the corporate governance report. The Board diversity will differ according to the circumstances of the Company. Diversity of Board members can be achieved through consideration of a number of factors, including but not limited to gender, age, cultural and educational background, or professional experience. The Company should take into account its own business model and specific needs, and disclose the rationale for the factors it uses for this purpose; and
- (viii) conform to any requirements, instructions, and regulations that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by laws, rules or regulations;
- (6) to develop, review, implement and monitor, as appropriate, the policy for nomination of Directors (the “**Nomination Policy**”), and to make 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;
- (7) to develop Board Diversity Policy and consider factors including but not limited to the following factors: gender, age, culture, perspectives, education background, and previous experience; review and implement the policy and monitor 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, in the corporate governance report annually;
- (8) to keep under review the leadership needs of the organization, both executive and non-executive, with a view to ensuring the continued ability of the organization to compete effectively in the marketplace;

- (9) to keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (10) to ensure 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;
- (11) to develop, review and assess the adequacy of the corporate governance guidelines of the Company and to recommend any proposed changes to the Board for approval;
- (12) to review and monitor the training and continuous professional development of Directors and senior management;
- (13) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;
- (14) to review the Company's compliance with the code and disclosure in the corporate governance report;
- (15) to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- (16) to conform to any requirements, instructions, and regulations that may from time to time be prescribed by the Board or contained in the Company's constitution or imposed by legislation, laws or regulations.

4.8.3 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.

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

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

4.8.6 The Committee is authorized by the Board to determine the nomination of Directors, the procedures, process and criteria to be adopted for purposes of selecting and recommending candidates for directorship.

4.9 Reporting responsibilities

- 4.9.1 The Committee shall report to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).
- 4.9.2 On an annual basis, the Committee shall evaluate and assess the effectiveness of the Committee and the adequacy of these Terms of Reference for the Committee and recommend any proposed changes to the Board.
- 4.9.3 Minutes of meetings should record in detail the matters considered and decisions reached by members of the Committee, including any questions, concerns raised by members of the Committee or dissenting views expressed.
- 4.9.4 Draft and final versions of minutes of meetings of the Committee should be sent to all Committee members for their comment and records respectively, within a reasonable time after the meeting is held.
- 4.9.5 Minutes of meetings of the Committee shall be kept by the Company Secretary. They shall be open for inspection at any reasonable time on reasonable notice by any Director.

4.10 Annual general meeting

The chairman of the Committee or in his/her absence, another member of the Committee or failing this, his/her duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to questions at the annual general meeting on the Committee's work and responsibilities.

4.11 Amendments to terms and availability of terms

- 4.11.1 The Committee shall, from time to time, review its own performance, constitution and terms of reference to ensure that it is operating effectively, and recommend any changes it considers to the Board for approval.
- 4.11.2 The terms 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.
- 4.11.3 The Committee shall make available these terms by publishing them on the websites of the Stock Exchange of Hong Kong Limited and the Company.

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