TrueHealth Technology

Guangdong True Health Medical Technology Development Co., Ltd.
廣東真健康醫療科技開發股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2697)

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

Chapter 1 General Provisions

Article 1 To regulate the appointment of directors and senior management of the Company, optimize the composition of the board (the "**Board**") of directors (the "**Director(s)**") of Guangdong True Health Medical Technology Development Co., Ltd. (the "**Company**"), and improve the corporate governance structure, the Company has established the nomination committee of the Board of Directors (the "**Nomination Committee**" or the "**Committee**") and formulated these Terms of Reference in accordance with the Company Law of the People's Republic of China (the "**Company Law**"), the Securities 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 Listing Rules**"), the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules, and other relevant laws, regulations, and regulatory rules of the securities regulatory authorities and stock exchanges of the place(s) where the Company's shares are listed, as well as the Articles of Association of Guangdong True Health Medical Technology Development Co., Ltd. (the "**Articles of Association**").

Article 2 The Nomination Committee is a specialized body established under the Board of Directors, primarily responsible for providing opinions and recommendations to the Board of Directors regarding the selection, selection criteria, and procedures for the Directors (including independent non-executive Directors), general manager, and other senior management of the Company.

Article 3 For the purpose of these Terms of Reference, "Directors" refer to all Directors elected by the general meeting, including independent non-executive Directors; "senior management" (senior executive officers) refers to the general manager, deputy general manager, secretary to the Board of Directors, and person in charge of finance appointed by the Board of Directors, as well as other senior management personnel as prescribed by laws, regulations, relevant regulatory rules of the securities regulatory authorities and stock exchanges of the place(s) where the Company's shares are listed, and the Articles of Association.

Chapter 2 Composition

Article 4 The Nomination Committee shall comprise three or more Directors, the majority of whom shall be independent non-executive Directors and at least one Director shall be of a different gender.

Article 5 Members of the Nomination Committee shall be jointly nominated by the chairman of the Board of Directors or more than one-third of all Directors, and shall be elected by the Board of Directors by a majority of all Directors.

Article 6 The Nomination Committee shall have one convenor (chairperson), who shall be an independent non-executive Director, appointed and removed by the Board of Directors, and shall be responsible for presiding over the work of the Committee. If the convenor is unable or fails to perform his/her duties, more than half of the members shall jointly nominate an independent non-executive Director to perform his/her duties on his/her behalf. Upon the passing of the proposal for the election of members, the convenor shall take office immediately after the conclusion of the meeting of the Board of Directors.

Article 7 The term of office of the Nomination Committee shall be consistent with that of the Board of Directors, and members are eligible for re-election upon the expiration of their term. During the term, if any member no longer serves as a Director of the Company, such member shall automatically lose his/her qualification as a member; or if any member who is required to possess the capacity of an independent non-executive Director no longer possesses the independence as prescribed by the Company Law, the Articles of Association, and the Hong Kong Listing Rules, etc., such member shall automatically lose his/her qualification as a member. A member of the Nomination Committee may resign from his/her position as a member by submitting a written resignation report to the Board of Directors before the expiry of his/her term of office. The resignation report shall contain necessary explanations on the reasons for resignation and any matters that need to be brought to the attention of the Board of Directors of the Company. Upon a member of the Nomination Committee becoming disqualified or being permitted to resign, the Board of Directors shall fill the vacancy in the number of members in accordance with the provisions of relevant laws, regulations, normative documents, and Articles 4 to 6 above. The term of office of the replacement member shall expire at the end of such member's term of office as a Director or an independent non-executive Director. Prior to the expiration of a member's term of office, such member shall not be removed from office without cause, unless circumstances arise under which the member is prohibited from holding office as stipulated by the Company Law, the Articles of Association, or the Hong Kong Listing Rules.

Chapter 3 Duties and Authorities

Article 8 The Nomination Committee of the Board of Directors of the Company shall be 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) to research and formulate the selection criteria and procedures for Directors and senior management and make recommendations to the Board of Directors, taking into account factors including but not limited to: culture, educational background, and professional experience;

(II) to identify individuals suitably qualified to become Directors, to nominate or appoint/remove Directors, to provide nomination opinions to the Board of Directors, and to review and make recommendations on candidates for Directors (especially the chairman of the Board of Directors) of the Company;

(III) to appoint or dismiss senior management, and to conduct reviews and provide recommendations on candidates for senior management (especially the general manager) of the Company;

(IV) to assess the independence of independent non-executive Directors;

(V) to review the structure, size and composition (including the skills, knowledge and experience) of the Board of Directors at least annually, assist the Board of Directors in maintaining a Board skills matrix and make recommendations to the Board of Directors on any proposed changes to the Board of Directors to complement the Company's strategy. To evaluate the structure of the committees under the Board of Directors and recommend Directors to serve as members of the relevant committees for submission to the Board of Directors for approval;

(VI) to establish a succession plan for Directors and senior management, in particular the chairman of the Board of Directors and the general manager, and to supplement and update it from time to time;

(VII) to evaluate the performance of Directors and, based on the evaluation results, provide opinions or recommendations on the replacement, re-appointment, or succession of Directors (including the chairman of the Board of Directors and the general manager);

(VIII) to support the Company in the regular evaluation of the performance of the Board of Directors;

(IX) to formulate and, where appropriate, review and implement the diversity policy of Board of Directors adopted by the Board of Directors from time to time, to review the progress on achieving the objectives, and to disclose the relevant policy or a summary thereof reviewed by it in the annual report of the Company;

(X) the Nomination Committee shall disclose a summary of its work during the year to shareholders in the annual report, including: 1. disclosure of the policy for the nomination of Directors during the year, including the nomination procedures and the process and criteria for selection and recommendation adopted by the Nomination Committee for candidates for directorship during the year; 2. its assessment of the time commitment and contribution of each Director to the Board of Directors and whether they can effectively discharge their duties, taking into account the Director's professional qualifications and work experience, existing directorships in companies listed on the Main Board or GEM and other significant external time commitments of such Director and other factors or circumstances relating to the Director's character, integrity, independence, and experience;

(XI) other matters as prescribed by laws, administrative regulations, the Hong Kong Listing Rules, the relevant regulatory rules of the securities regulatory authorities and stock exchanges of the place(s) where the Company's shares are listed, and the Articles of Association.

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

Article 9 The Nomination Committee shall have the power to exercise any of the authorities delegated by the Board of Directors as it may, in its sole discretion, deem necessary. The Nomination Committee has the power to decide to engage headhunting firms to assist in identifying qualified candidates for Directors and senior management as it deems necessary.

Article 10 The Nomination Committee shall be accountable to the Board of Directors, and the recommendations of the Committee shall be submitted to the Board of Directors for consideration and decision; among which, the nomination of candidates for Directors, after being considered by the Board of Directors, shall be submitted to the shareholders' general meeting for consideration and approval before implementation.

Article 11 The Nomination Committee shall make available its terms of reference, explaining its role and the authority delegated to it by the Board of Directors, by publishing them on the website of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") and the Company's website.

Article 12 Duties of the convenor:

(I) to convene and preside over meetings of the Committee;

(II) to supervise and inspect the work of the Committee;

(III) to sign relevant documents of the Committee;

(IV) to report the work of the Committee to the Board of Directors;

(V) other duties required to be performed or granted by laws, administrative regulations, the Hong Kong Listing Rules, relevant regulatory rules of the securities regulatory authorities and stock exchanges of the place(s) where the Company's shares are listed, these Terms of Reference and the Board of Directors.

Article 13 The rights and obligations of a member of the Committee are as follows:

(I) to attend meetings of the Committee on time, express opinions on matters discussed at the meetings, and exercise voting rights;

(II) to propose items for discussion at the meetings of the Committee;

(III) for the purpose of performing their duties, may attend or observe relevant meetings of the Company, conduct investigations and research, and obtain required reports, documents, data, and other relevant information;

(IV) fully understand the duties of the Committee and his/her duties as a member of the Committee, and be familiar with the Company's operation and management status, business activities, and development related to his/her duties, so as to ensure his/her ability to perform such duties;

(V) ensure that he/she has sufficient time and energy to perform his/her duties;

(VI) other duties as required or granted by laws, administrative regulations, the Hong Kong Listing Rules, relevant regulatory rules of the securities regulatory authorities and stock exchanges of the place(s) where the Company's shares are listed, these Terms of Reference, and the Board of Directors.

Chapter 4 Rules of Procedure

Article 14 The convenor of the Nomination Committee or, in his/her absence, another member of the Nomination Committee (who must be an independent non-executive Director) shall attend the annual general meeting of the Company and respond to questions from shareholders regarding the activities and responsibilities of the Nomination Committee.

Article 15 Members of the Nomination Committee shall fulfill their fiduciary duties and duties of diligence to the Company in accordance with the provisions of laws, regulations, the Articles of Association, and the Hong Kong Listing Rules. Any recommendations or proposals made at the meetings of the Nomination Committee must comply with the requirements of laws, regulations, the Articles of Association, and the Hong Kong Listing Rules.

Article 16 The Nomination Committee shall, in accordance with the provisions of laws, regulations, the Hong Kong Listing Rules and the Articles of Association, and taking into account the actual situation of the Company, study the selection criteria, selection procedures and terms of office of the Directors and senior management of the Company, and shall submit the resolutions formed to the Board of Directors for consideration. Where the Board of Directors proposes a resolution at a general meeting to elect an individual as an independent non-executive Director, the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting should set out the process used for identifying the individual, the reasons why the Board of Directors believes the individual should be elected and the reasons why they consider the individual to be independent; if the proposed independent non-executive Director will be holding his/her seventh (or more) listed company directorship, the reasons why the Board of Directors believes the individual would still be able to devote sufficient time to the Board of Directors; the perspectives, skills and experience that the individual can bring to the Board of Directors; and how the individual contributes to the diversity of the Board of Directors.

Article 17 A meeting of the Nomination Committee may be convened when the convenor deems it necessary, or when proposed by more than half of the members of the Committee, or when suggested by the chairman of the Board of Directors.

Article 18 The Nomination Committee shall convene meetings from time to time based on the proposal of the convenor. The notice of the meeting and meeting materials shall be delivered to all members three days prior to the convening of the meeting. The requirement for the prior notice period may be waived upon the unanimous consent of all members. Meetings shall be presided over by the convenor; where the convenor is unable to attend, he or she may appoint another member who is an independent non-executive Director to preside over the meeting.

Article 19 A meeting of the Nomination Committee shall be held only when more than two-thirds of the members are present, one of whom must be an independent non-executive Director; a member who is unable to attend may appoint another member in writing to attend and vote on his/her behalf. The proxy form shall specify the name of the proxy, the matters to be represented, the scope of authorization, and the validity period, and shall be signed or sealed by the appointor and submitted to the chairman of the meeting no later than before the voting of the meeting. If a member does not attend a Nomination Committee meeting, and does not appoint a representative to attend the meeting, he or she shall be deemed to have waived the voting right at that meeting.

The resolution of the meeting shall be passed by the affirmative votes of more than half of all members. The voting method for meetings of the Nomination Committee shall be by a show of hands or by poll; where necessary, meetings may also be convened by way of voting via correspondence. Each member shall have one vote; in the event of an equality of votes for and against a resolution, the convenor shall be entitled to a casting vote.

Article 20 Meetings of the Nomination Committee may be convened in such appropriate manners as physical meetings, telephone conferences, video conferences, circulation of documents, facsimile, or mail.

Article 21 The Nomination Committee may, when necessary, invite the Company's Directors, senior management personnel and external consultants to attend its meetings. Persons attending the meeting as observers may provide explanations or clarifications on matters discussed at the meeting; non-members shall have no voting rights.

Article 22 The Company shall provide the Nomination Committee with sufficient resources to perform its duties. If necessary, the Nomination Committee may engage intermediary agencies to provide professional advice for its decision-making, and the reasonable expenses incurred shall be borne by the Company.

Article 23 The procedures for convening meetings of the Nomination Committee, the methods of voting, and the resolutions passed at such meetings must comply with the provisions of relevant laws, regulations, the relevant regulatory rules of the securities regulatory authorities and stock exchanges of the place(s) where the Company's shares are listed, the Articles of Association, and these Terms of Reference.

Article 24 Minutes shall be kept for the meetings of the Nomination Committee, and the members attending the meeting shall sign the minutes; the members attending the meeting shall have the right to request that explanatory remarks regarding their statements at the meeting be recorded in the minutes; the minutes of the meeting shall be kept by the company secretary. Resolutions passed at a meeting of the Committee and the voting results thereon shall be reported to the Board of Directors in writing.

Article 25 The Nomination Committee shall form clear and definite conclusions on the proposals under consideration, including: passed, rejected, or deferred for further consideration pending supplementary information; proposals passed at the meetings of the Nomination Committee and the voting results shall be reported in writing to the Board of Directors of the Company for consideration.

Article 26 Members attending the meeting and personnel present at the meeting shall have an obligation of confidentiality in respect of the matters discussed at the meeting and, unless otherwise provided by relevant laws, regulations and/or regulatory authorities, shall not disclose relevant information without authorization.

Chapter 5 Recusal System

Article 27 Where a member of the Nomination Committee or any of his/her immediate relatives, or any other enterprise controlled by a member of the Nomination Committee and his/her immediate relatives, has a direct or indirect interest in any matter discussed at a meeting, such member shall disclose the nature and extent of the interest to the Nomination Committee as soon as possible.

Article 28 Upon the occurrence of the circumstances mentioned in the preceding article, any interested member shall provide a detailed explanation of the relevant situation at the meeting of the Nomination Committee and explicitly express their voluntary withdrawal from voting. However, where other members of the Nomination Committee unanimously conclude after discussion that such interest will not have a significant impact on the matters to be voted upon, the interested member may participate in the voting. If the Board of Directors of the Company considers it inappropriate for the interested members mentioned in the preceding paragraph to participate in the voting, it may revoke the voting results of the relevant resolutions and require the uninterested members to re-vote on the relevant resolutions.

Article 29 The Nomination Committee shall deliberate on and resolve the proposal at a meeting where any member with a conflict of interest is not counted towards the quorum. Where the number of members of the Nomination Committee attending the meeting is less than the minimum quorum required after the interested members have abstained from voting, the Nomination Committee shall have all members (including the interested members) pass a resolution on procedural matters such as submitting the said proposals to the Board of Directors of the Company for consideration, and the Board of Directors of the Company shall then consider such proposals.

Article 30 The minutes and resolutions of the meetings of the Nomination Committee shall specify the circumstances where any member with a conflict of interest was not counted in the quorum and did not participate in the voting.

Chapter 6 Supplementary Provisions

Article 31 The interpretation of these Terms of Reference shall be vested in the Board of Directors of the Company.

Article 32 These Terms of Reference shall come into effect from the date on which they are approved by a resolution of the Board of Directors and on which the overseas listed shares (H shares) publicly issued by the Company are listed and traded on the Hong Kong Stock Exchange.

Article 33 Matters not covered in these Terms of Reference or in case of any inconsistency between these Terms of Reference and the relevant laws, regulations, the Hong Kong Listing Rules, the relevant regulatory rules of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed and the Articles of Association, the provisions of the relevant laws, regulations, the Hong Kong Listing Rules, the relevant regulatory rules of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed and the Articles of Association shall prevail. In the event of any conflict with any laws, regulations, the Hong Kong Listing Rules, the relevant regulatory rules of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed promulgated in the future or the Articles of Association, the provisions of such laws, regulations, the Hong Kong Listing Rules, the relevant regulatory rules of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed, and the Articles of Association shall prevail, and these Terms of Reference shall be amended accordingly as soon as possible and submitted to the Board of Directors for consideration and approval.