

SHENZHEN SDMC TECHNOLOGY CO., LTD.

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE OF THE BOARD

(considered and approved at the 14th meeting of the sixth session of the Board held on April 30, 2025, effective from the date of listing and trading of the Company's overseas listed foreign shares on The Stock Exchange of Hong Kong Limited upon approval by the relevant regulatory authorities)

May 2026

Shenzhen SDMC Technology Co., Ltd.

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE OF THE BOARD

CHAPTER I GENERAL PROVISIONS

Article 1 To regulate the appointment of directors and senior management of Shenzhen SDMC Technology Co., Ltd. (hereinafter referred to as the “Company”), optimize the composition of the board of directors (the “Board”), and improve the corporate governance structure, the Company has formulated these terms of reference in accordance with the provisions of the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and other relevant laws, administrative regulations, departmental rules, normative documents as well as the Articles of Association of Shenzhen SDMC Technology Co., Ltd. (hereinafter referred to as the “Articles of Association”) and the Rules of Procedures for Meetings of the Board of Shenzhen SDMC Technology Co., Ltd. after taking into account the actual conditions of the Company.

Article 2 The Nomination Committee is a specialized committee established under the Board and is responsible for and reports to the Board.

Article 3 The Nomination Committee is responsible for formulating the selection criteria and procedures for directors and senior management, selecting and reviewing the candidates for directors and senior management as well as their qualifications.

CHAPTER II COMPOSITION OF THE NOMINATION COMMITTEE

Article 4 The Nomination Committee consists of three Directors of the Company, of which independent non-executive directors constitute a majority. If there are other provisions stipulated in laws, administrative regulations, or the securities regulatory rules of the place where the Company’s Shares are listed, such requirements shall also be met.

Article 5 The members of the Nomination Committee 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, and shall be elected by more than half of the Board members.

Article 6 The Nomination Committee has a committee chairman (convenor), who must be an independent non-executive Director, and is responsible for presiding over the work of the Nomination Committee. The chairman is elected by the Nomination Committee and approved by the Board.

Article 7 The term of office of the members of the Nomination Committee shall be consistent with the term of office of the Directors. Upon expiration of the term of a member, such member may serve consecutive term if re-elected. During the term of office, if any member no longer serves as a Director of the Company or a member who should have the status of an independent non-executive Director no longer has the independence stipulated in the Articles of Association, such person will automatically lose his/her membership qualification and the Board will make up for the number of committee members in accordance with Articles 4 to 6.

Article 8 The Nomination Committee shall set up a working group to be specifically responsible for the daily work of the Nomination Committee, including liaison, meeting organization, document preparation and archive management. The members of the working group need not be members of the Nomination Committee.

CHAPTER III DUTIES AND AUTHORITIES

Article 9 The main duties of the Nomination Committee include the following:

- (I) to make recommendations to the Board on the structure, number of members, size and composition (including skills, knowledge and experience), and the proposed changes in the Board in line with the corporate strategy according to the business operation, asset scale and shareholding structure of the Company;
- (II) to formulate the corporate governance policies of the Company, conduct regular check on the implementation and make recommendations to the Board;
- (III) to study and be responsible for the selection criteria and procedures for Directors and senior management and make recommendations to the Board, inspect and supervise the training and ongoing professional development plans for Directors and senior management;
- (IV) to conduct a wide search for qualified candidates for Directors and senior management;
- (V) to select and review the candidates for Directors and senior management, as well as their qualifications;
- (VI) to review the independence of independent non-executive Directors;
- (VII) to make recommendations to the Board regarding the appointment or re-appointment of Directors, and succession plan for Directors (particularly the chairman of the Board), general manager and other senior management;
- (VIII) to formulate and maintain policies concerning the Board diversity, and periodically review and disclose the diversity policies or a summary of the policies in the annual report of the Company;

- (IX) to identify suitably qualified individuals for appointment as additional Directors or to fill the vacancies as and when vacancies arise for the Board, and make recommendations to the Board on the selection and nomination of such individuals; in identifying suitable candidates, the Nomination Committee shall take into full consideration the complementarity of the knowledge structure and experience among Board members, and the balance and independence of the composition of the Board, and shall select from a wide range of candidates based on objective criteria, taking into account the benefits of the diversity of the Board members and in light of the Company's business needs, to ensure members of the Board possess proper ability, experience and diversified perspectives to support the Company in realizing strategic objectives, maintaining competitive strengths and achieving sustainable development;
- (X) to make recommendations to the Board on the re-appointment of non-executive Directors (including independent non-executive Directors) upon the expiry of their terms of office, and make recommendations on matters in relation to the election or re-election of Directors by shareholders, and the continuation in office of any Director at any time; where the Board intends to propose a resolution to elect an individual as an independent non-executive Director at the general meeting, the Nomination Committee shall set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:
1. the process for identifying the individual and the reasons of the Board' belief on the election and independence of such individual;
 2. if the proposed independent non-executive Director is to take up the position of a director in seventh (or more) listed companies, the reasons why the Board believes that such individual can still devote sufficient time to fulfill the duties of a Director;
 3. the perspectives, skills and experience that the individual can bring to the Board; and
 4. how the individual contributes to diversity of the Board;
- (XI) to formulate, review and supervise the code of conduct and compliance manual (if any) for employees and Directors;
- (XII) to check the Company's compliance with Appendix C1 to the Hong Kong Listing Rules and the Corporate Governance Code, as well as the information disclosure in the Corporate Governance Report;
- (XIII) matters as required by applicable laws, regulations, the Hong Kong Listing Rules and the Articles of Association, as well as other duties and authorities granted by the Board of the Company.

Article 10 The proposals of the Nomination Committee shall be submitted to the Board for consideration and decision.

The Nomination Committee shall provide all the research discussions, materials and information to the Board in the form of reports, recommendations or summaries for study and decision-making.

CHAPTER IV DECISION-MAKING PROCESS

Article 11 The Nomination Committee shall formulate resolutions in accordance with the provisions of relevant laws, administrative regulations, other normative documents, the Hong Kong Listing Rules and the Articles of Association by taking into account the actual circumstances of the Company and studying the eligibility criteria, selection procedures and terms of office for Directors and senior management of the Company, and submit the same to the Board for consideration and approval before implementation.

Article 12 Procedures for the election and appointment of Directors and senior management shall follow the following requirements:

- (I) The Nomination Committee shall actively engage with relevant departments of the Company to study the needs of the Company for Directors and senior management, and prepare written documents accordingly;
- (II) The Nomination Committee may conduct a wide search for candidates for Directors and senior management within the Company, its holding companies, affiliated companies and the talent market;
- (III) to collect information of the occupation, education background, title, detailed work experience and all concurrent positions of shortlisted candidates, and prepare written documents accordingly;
- (IV) to seek the nominees' views regarding their nomination, and without consent from the nominees, they shall not be considered as candidates for Directors or senior management;
- (V) to convene meetings of the Nomination Committee to review the eligibility of shortlisted candidates based on the appointment criteria for Directors and senior management;
- (VI) to submit recommendations on review and relevant documents to the Board regarding candidates for Directors and new senior management prior to the election of new Directors or appointment of new senior management;
- (VII) to undertake other follow-up tasks in accordance with the decisions and feedback of the Board.

If necessary, the Nomination Committee may engage an intermediary to provide professional advice for its decision-making, and the relevant reasonable expenses are borne by the Company.

CHAPTER V RULES OF PROCEDURES

Article 13 Meetings of the Nomination Committee shall be convened and presided over by the committee chairman. If the committee chairman is unable or fails to perform his/her duties, he/she shall designate another committee member to act on his/her behalf; when the chairman (convenor) of the Nomination Committee neither fulfills his/her duties nor designates any other member to act on his/her behalf, the other two members may negotiate and elect one of them to act as the chairman (convenor) of the Nomination Committee.

Article 14 Meetings of the Nomination Committee are divided into regular meetings and extraordinary meetings. Regular meetings of the Nomination Committee shall be convened at least once a year, and shall be notified to all members of the committee five days before the date of the regular meeting. The extraordinary meetings of the Nomination Committee shall be notified to all members three days before the meeting. The aforementioned notice period may be exempted with unanimous agreement of all members.

The means of notification include, but not limited to, personal delivery, fax, letter, e-mail or telephone.

Article 15 The notice of meeting should at least include the following:

- (I) time, place and convening method of the meeting;
- (II) the duration of the meeting;
- (III) topics to be discussed at the meeting;
- (IV) the contact person of the meeting and his/her contact information;
- (V) the date of the notice of the meeting.

If the notification is made by telephone, it should contain at least the contents as set out in items (I) and (II) above, a written record must be prepared and the meeting documents must be dispatched to all members before the meeting.

Article 16 Meetings of the Nomination Committee may be held on site or via communication conference. The communication conferences include telephone conferences, video conferences, and written resolution meetings.

Article 17 Meetings of the Nomination Committee may be held only by the presence of more than two-thirds of the members; each member has one vote; resolutions made at the meeting must be passed by more than half of all members. If there is a conflict of interest between members of the Nomination Committee and the matters discussed at the meeting, they should abstain from deliberation and voting. If the number of voting members, as a result, falls short of two, the Nomination Committee should submit the matters to the Board for consideration.

Article 18 Members of the Nomination Committee shall attend the meeting in person and express clear opinions on the matters under review. When a member is unable to attend the meeting in person for some reason, he/she should review the meeting materials in advance, form clear opinions, and entrust another member in writing to attend and express his/her opinions on his/her behalf. Members shall not make or accept an appointment of proxy without voting intention, an appointment with full discretion or an appointment with unclear scope of authorization.

Article 19 If a committee member entrusts another member to attend the meeting and exercise voting rights on his/her behalf, a power of attorney shall be submitted to the chairman of the meeting no later than the voting at the meeting.

Article 20 The power of attorney shall be signed by both the principal and the proxy, and should include at least the following contents:

- (I) name of the principal;
- (II) name of the proxy;
- (III) entrusted matters;
- (IV) instructions for exercising voting rights on meeting topics (agree, disagree, abstain);
- (V) period of the authorization;
- (VI) date of signing the power of attorney.

Article 21 If a member of the Nomination Committee neither attends the meeting in person nor appoints another member to attend the meeting on his/her behalf, he/she is deemed to be absent from the relevant meeting. If a member fails to attend two consecutive meetings, he/she is deemed to be unable to perform his/her duties and powers properly, and the Board of the Company may remove him/her from his/her position as a member.

Article 22 The voting for the meetings of the Nomination Committee is conducted by a show of hands or by ballot.

Article 23 When a meeting of the Nomination Committee is convened via written proposals, such proposals should be served to all members by fax, email, express mail, or personal delivery. After members vote on the proposals, they shall return the originals to the Company for filing. If the number of members who sign in approval meets the requirements specified in these terms of reference, the proposal constitutes a resolution of the committee.

Article 24 The Nomination Committee may invite other Directors and senior management of the Company to attend the meeting as non-voting delegates, if necessary.

Article 25 Minutes of the meetings shall be kept by the Nomination Committee. The first draft and final version of the minutes of the meeting shall be dispatched to all members present at the meeting within a reasonable period of time after the meeting for expression of opinions on the first draft and for record purpose with the final version, and members who have attended the meeting shall sign on the minutes of meeting. If the attending members have objections to the meeting resolution, they should be noted in the meeting minutes. The minutes of meetings shall be kept by the secretary to the Board of the Company, and shall be kept for at least 10 years during the existence of the Company.

Article 26 The meeting minutes should include at least the following:

- (I) date, location, method, and name of the convener of the meeting;
- (II) names of attendees at the meeting, and those who are entrusted by others to attend the meeting should be specifically noted;
- (III) the voting method for each resolution or proposal and the voting results indicating the number of affirmative, negative, or abstention votes;
- (IV) other matters that should be explained and recorded in the meeting minutes.

Article 27 The proposals and voting results passed at the meetings of the Nomination Committee shall be reported to the Board of the Company by the committee members or the secretary to the Board of the Company no later than the day after the effective date of the meeting resolutions (unless it is restricted by laws or regulations from making such report).

Article 28 Members attending the meeting and persons attending the meeting as non-voting delegates are obligated to keep confidential the matters discussed at the meeting and shall not disclose the relevant information without authorization.

CHAPTER VI ANNUAL GENERAL MEETING

Article 29 The chairman of the committee is required to attend the annual general meeting of the Company and be prepared to answer any question raised by shareholders on matters relating to the duties of the Nomination Committee.

Article 30 If the chairman of the committee is unable to attend the annual general meeting of the Company, he/she must make arrangement for another committee member to attend the general meeting. Such person shall be prepared to answer questions raised by shareholders regarding the work of the Nomination Committee at the annual general meeting.

CHAPTER VII SUPPLEMENTAL PROVISIONS

Article 31 Unless otherwise specified, the terms used in these terms of reference shall have the same meaning as those used in the Articles of Association.

Article 32 The terms “above” and “within” mentioned in these terms of reference are inclusive of the number mentioned; “exceeds”, “beyond”, “less than” and “over” are exclusive of the number mentioned.

Article 33 For any matters not covered by these terms of reference, the Company shall comply with the relevant laws, administrative regulations, the securities regulatory rules of the place where the Company’s Shares are listed, the Articles of Association, the resolutions of the Company’s general meetings and the Board or provisions of other relevant rules and regulations for implementation; if these terms of reference are inconsistent with the provisions of the relevant laws, administrative regulations, the securities regulatory rules of the place where the Company’s Shares are listed or the Articles of Association, the provisions of the relevant laws, administrative regulations, the securities regulatory rules of the place where the Company’s Shares are listed and the Articles of Association prevail for implementation.

Article 34 The Board is responsible for the formulation and amendment of these terms of reference, as well as their interpretation.

Article 35 These terms of reference have been considered and approved by the Board of the Company, and take effect from the date of listing and trading of the Company’s overseas listed foreign shares (H shares) issued in the initial public offering on The Stock Exchange of Hong Kong Limited.

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