

# **Optima Automobile Group Holdings Limited**

## **傲迪瑪汽車集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8418)

(the “Company”)

### **Terms of reference of the Nomination Committee (the “Committee”) of the Board (the “Board”) of Directors (the “Directors”) of the Company**

(Adopted on 29 December 2022)

#### **1. CONSTITUTION**

The Committee is established pursuant to the resolutions of the Board dated 18 September 2019.

#### **2. MEMBERSHIP**

- 2.1 Members of the Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than three members and a majority of whom shall be independent non-executive Directors.
- 2.2 The chairman of the Committee shall be appointed by the Board which shall be the chairman of the Board or an independent non-executive Director.
- 2.3 The company secretary of the Company shall be the secretary of the Committee. In the absence of the secretary of the Committee, Committee members present at the meeting may elect among themselves or appoint another person as the secretary for that meeting.
- 2.4 The appointment of the members of the Committee may be revoked, replaced or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee. An appointment of Committee member shall be automatically revoked if such member ceases to be a member of the Board.

#### **3. PROCEEDINGS OF THE COMMITTEE**

##### **3.1 Notice:**

- (a) Unless otherwise agreed by all the Committee members, a meeting shall be called by at least seven days’ notice. Such notice shall be sent to each member of the Committee, and to any other person invited to attend. Irrespective of the length of notice being given, attendance of a Committee member at a meeting constitutes a waiver of such notice unless the Committee member attending the meeting attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the meeting has not been properly convened.

- (b) A Committee member may and, on the request of a Committee member, the secretary to the Committee shall, at any time summon a Committee meeting. Notice shall be given to each Committee member in person orally or in writing or by telephone or by email or by facsimile transmission at the telephone or facsimile or address or email address from time to time notified to the secretary by such Committee member or in such other manner as the Committee members may from time to time determine.
- (c) Any notice given orally shall be confirmed in writing as soon as practicable and before the meeting.
- (d) Notice of meeting shall state the purpose, time and venue of the meeting. An agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting should generally be delivered to all Committee members seven days (and in any event not less than three days) before the intended date of the Committee meeting (or such other period as all the Committee members may agree).

3.2 **Quorum:** The quorum of the Committee meeting shall be two members of the Committee and a majority of which shall be the independent non-executive Directors.

3.3 **Frequency:** Meetings shall be held at least once a year to review, formulate and consider the nomination procedures as regards the appointment, reappointment and removal of Directors, their implementation during the year and to make recommendations to the Board on candidates for appointment as Directors, and to review the board diversity policy (the “**Board Diversity Policy**”) and any measurable objectives for implementing such policy from time to time adopted by the Board, and progress on achieving these objectives.

3.4 Meetings may be held in person, or by means of such telephone, electronic or other communication facilities that permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

3.5 Upon the invitation from the Committee, the chairman or chairlady of the Board and/or the general manager or the chief executive officer, the chief financial officer, external advisor and/or other persons can be invited to attend all or part of any meeting.

#### **4. WRITTEN RESOLUTIONS**

A resolution in writing signed by all the Committee members shall be as valid and effectual as if it had been passed at a meeting of the Committee and may consist of several documents in like form each signed by one or more of the Committee members.

#### **5. ALTERNATE COMMITTEE MEMBERS**

A Committee member may not appoint any alternate.

## **6. AUTHORITY OF THE COMMITTEE**

6.1 The Committee may exercise the following powers:

- (a) to seek any information it requires from any employee of the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) and any professional advisers, to require any of them to prepare and submit reports and to attend Committee meetings and to supply information and address the questions raised by the Committee;
- (b) to review the performance of the Directors and the independence of independent non-executive Directors in relation to their appointment or reappointment as Directors;
- (c) to obtain, at the Company’s expenses, outside legal or other independent professional advice on or assistance to any matters within these terms of reference, including the advice of independent human resource consultancy firm or other independent professionals, and to secure the attendance of outsiders with relevant experience and expertise at its meetings as it considers necessary. The Committee shall have full authority to commission any search (including without limitation litigation, bankruptcy and credit searches), report, survey or open recruitment which it deems necessary to help it fulfill its duties and should be provided with sufficient resources to discharge its duties;
- (d) to review annually these terms of reference and their effectiveness in the discharge of its duties and to make recommendation to the Board any changes it considers necessary; and
- (e) to exercise such powers as the Committee may consider necessary and expedient so that their duties under section 7 below can be properly discharged.

6.2 The Company should provide the Committee with sufficient resources to perform its duties.

## **7. DUTIES OF THE COMMITTEE**

The duties of the Committee shall be:

- (a) to review the structure, size and composition (including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, experience and diversity of perspectives) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy;
- (b) to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (c) to assess the independence of the independent non-executive Directors;

- (d) to make recommendations to the Board on:
  - (i) the role, responsibilities, capabilities, skills, knowledge, experience and diversity of perspectives required from members of the Board;
  - (ii) the policy on the terms of employment of non-executive Directors;
  - (iii) the composition of the audit committee, remuneration committee and other board committees of the Company;
  - (iv) proposed changes to the structure, size and composition of the Board;
  - (v) candidates suitably qualified to become members of the Board;
  - (vi) the selection of individuals nominated for directorship;
  - (vii) the re-election of any Directors who are to retire by rotation having regard to their performance and ability to continue to contribute to the Board;
  - (viii) the continuation (or not) in service of any independent non-executive Director serving more than nine years and to provide recommendation to the shareholders of the Company as to how to vote in the resolution approving the re-election of such independent non-executive Director;
  - (ix) the appointment or re-appointment of Directors;
  - (x) succession planning for Directors, in particular the chairman and the chief executive; and
  - (xi) the Board Diversity Policy, and the measurable objectives for implementing such policy;
- (e) to give full consideration to the following in the discharge of its duties as mentioned above or elsewhere in these terms of reference:
  - (i) succession planning of Directors;
  - (ii) leadership needs of the Group with a view of maintaining or fostering the competitive edge of the Group over others;
  - (iii) changes in market environment and commercial needs of the market in which the Group operates;
  - (iv) the skills and expertise required from members of the Board;
  - (v) the Board Diversity Policy adopted from time to time;

- (vi) whether the Directors devote sufficient time and make contributions to the Company that are commensurate with their role and Board responsibilities; and
  - (vii) the relevant requirements of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with regard to directors of a listed issuer;
- (f) in respect of any proposed service contracts to be entered into by any members of the Group with its director or proposed director, which require the prior approval of the shareholders of the Company at general meeting under rule 17.90 of the GEM Listing Rules, to review and provide recommendations to the shareholders of the Company (other than shareholders who are directors with a material interest in the relevant service contracts) as to whether the terms of the service contracts are fair and reasonable and whether such service contracts are in the interests of the Company and the shareholders as a whole, and to advise shareholders on how to vote;
- (g) where the Board proposes a resolution to elect an individual as an independent non-executive Director at general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting;
- (i) 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;
  - (ii) if the proposed independent non-executive Director will be holding their seventh (or more) listed company directorship, why the Committee (or the Board) believes the individual would still be able to devote sufficient time to the Board;
  - (iii) if the proposed independent non-executive Director has served more than nine years, why the Committee (or the Board) believes that the Director is still independent and should be re-elected, including the factors considered, the process and the discussion of the Committee (or the Board) in arriving at such determination and such Director’s further appointment should be subject to a separate resolution to be approved by the shareholders of the Company;
  - (iv) the perspectives, skills and experience that the individual can bring to the Board; and
  - (v) how the individual contributes to diversity of the Board;
- (h) where all the independent non-executive Directors have served more than nine years on the Board, the Company should:
- (i) disclose the length of tenure of each existing independent non-executive Director on a named basis in the circular to shareholders and/or explanatory statement accompanying the notice of the annual general meeting; and
  - (ii) appoint a new independent non-executive Director on the Board at the forthcoming annual general meeting;

- (i) to ensure that on appointment to the Board, independent non-executive Directors receive a formal letter of appointment setting out what is expected of them in terms of time commitment, committee service and involvement outside meetings of the Board;
- (j) to conduct exit interviews with any Director upon their resignation in order to ascertain the reasons for his departure;
- (k) to review the Board Diversity Policy and the measurable objectives for implementing such policy from time to time adopted by the Board, to review the progress on achieving these objectives, and to review the implementation and effectiveness of the Board Diversity Policy on an annual basis;
- (l) to establish mechanism(s) to ensure independent views and input are available to the Board, to disclose such mechanism(s) in its corporate governance report, and to review the implementation and effectiveness of such mechanism(s) on an annual basis; and
- (m) to consider and implement other matters, as defined or assigned by the Board from time to time.

## **8. MINUTES AND REPORTING PROCEDURES**

- 8.1 The secretary shall, at the beginning of each meeting, ascertain and record the existence of any conflicts of interest and minute them accordingly. The relevant member of the Committee shall not be counted towards the quorum and he must abstain from voting on any resolution of the Committee in which he or any of his associates has a material interest.
- 8.2 Full minutes of Committee meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the company secretary). Draft and final versions of minutes of the Committee meetings should be sent to all Committee members for their comment and records within a reasonable time after the meeting (generally, meaning within 14 days after the meeting). Once the minutes are signed, the secretary shall circulate the minutes and reports of the Committee to all members of the Board.
- 8.3 The secretary of the Committee shall keep record of all meetings of the Committee held during each financial year of the Company and records of individual attendance of members of the Committee, on a named basis, at meetings held during that financial year.

## **9. REPORTING RESPONSIBILITIES**

- 9.1 The Committee shall report to the Board after each meeting.
- 9.2 The Committee should report back to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such a restriction on disclosure due to regulatory requirements).

## **10. ANNUAL GENERAL MEETING**

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

## **11. CONTINUING APPLICATION OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

The articles of association of the Company regulating the meetings and proceedings of the Directors so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

## **12. POWERS OF THE BOARD**

The Board may, subject to compliance with the articles of association of the Company and the GEM Listing Rules (including the Corporate Governance Code set out in Appendix 15 to the GEM Listing Rules or if adopted by the Company, the Company's own code of corporate governance practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments or supplements to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended, supplemented or revoked.

## **13. PUBLICATION OF THE TERMS OF REFERENCE OF THE COMMITTEE**

The Committee should make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the website of the Company and on the website of the Stock Exchange.