



DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

Terms of Reference of the Nomination Committee

(Adopted on 30 December 2022)

Daisho Microline Holdings Limited

Terms of Reference of the Nomination Committee (adopted on 30 December 2022)

1. Constitution

1.1 The board (the “**Board**”) of directors (the “**Director(s)**”) of Daisho Microline Holdings Limited (the “**Company**”) had resolved on 26 March 2012 to establish a committee known as the Nomination Committee (the “**Committee**”) to assist the Board to formulate nomination policy for the Board’s consideration and implement the Board’s approved nomination policy. The terms of reference of the Committee have been updated and amended on 30 December 2022 pursuant to the resolutions of the Board in compliance with the Corporate Governance Code under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”).

2. Membership

2.1 The Committee members shall be appointed by the Board from amongst the Directors and shall consist of not less than three members. The majority of the Committee members must be independent non-executive Directors.

2.2 The Chairman of the Committee shall be the Chairman of the Board.

2.3 The terms of office of the Committee members shall be determined by the Board.

2.4 The Company Secretary of the Company, or any person duly appointed by the Committee, shall act as the secretary of the Committee.

3. Attendance at Meetings

3.1 Only members of the Committee have the right to attend Committee meetings. The Committee may invite persons, including the Chief Executive and other senior management of the Company or the Group, to attend meetings where appropriate to assist in the effective discharge of the Committee’s duties.

3.2 The quorum of a meeting of the Committee shall be any two Committee members.

4. Frequency and Proceedings of Meetings

4.1 The Committee shall meet at least one time a year. Any Committee member or the secretary of the Committee may convene Committee meeting if necessary.

- 4.2 Notice of meetings has to be given at least 14 days prior to any such meeting being held, unless all members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a member shall be deemed waiver of the requisite length of notice by the member. Notice of any adjourned meetings is not required if adjournment is for less than 14 days.
- 4.3 Meetings may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.
- 4.4 Resolutions of the Committee at any meeting shall be passed by a majority of votes of the members present.
- 4.5 A resolution in writing signed by all the members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

5. Minutes

- 5.1 Full minutes of the Committee meetings should be kept by the secretary of the Committee. Draft and final version of minutes of the Committee meetings should be sent to all members of the Committee for their comment and records within a reasonable time after the meetings.

6. Authority

- 6.1 The Committee should be provided with sufficient resources to discharge its duties.
- 6.2 The Committee is authorized by the Board to obtain independent professional advice at the Company's expense if considered necessary.

7. Terms of Reference

The specific duties of the Committee shall be:

- 7.1 to review the structure, size and composition (including but not limited to the skills, knowledge, 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 regards to the board diversity policy of the Company (the "**Board Diversity Policy**");

- 7.2 to determine the policy for the nomination of the Directors (the “**Nomination Policy**”) and to disclose the Nomination Policy in the Corporate Governance Report of the Company annually; the Nomination Policy shall set out, inter alia, the nomination procedures and process and criteria to select and recommend candidates for directorship;
- 7.3 to consider the selection criteria of the Directors, and develop procedures for the sourcing and selection of candidates to stand for election by the Company’s shareholders (the “**Shareholders**”);
- 7.4 to identify and nominate candidates to the Board for it to recommend to the Shareholders for election as the Directors. Sufficient biographical details of nominated candidates shall be provided to the Board and the Shareholders to enable them to make an informed decision;
- 7.5 to identify and nominate candidates to fill casual vacancies of the Directors for the Board’s approval;
- 7.6 to assess the independence of independent non-executive Directors having regard to the criteria under the Listing Rules and review the independent non-executive Directors’ annual confirmations on their independence; and make disclosure of its review results in the Corporate Governance Report of the Company annually;
- 7.7 to regularly review the time required from the Director to perform his responsibilities;
- 7.8 to make recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for Directors, in particular the Chairman of the Board and the Chief Executive of the Company;
- 7.9 to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
- 7.10 to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Company’s constitution or imposed by legislation.

8. Annual General Meeting

- 8.1 The Chairman of the Committee or another member shall attend the Company’s Annual General Meeting and be prepared to respond to shareholders’ questions on the activities of the Committee and their responsibilities.

9. Reporting Responsibilities

9.1 The Committee shall report to the Board as and when appropriate.

10. Publication of the Terms of Reference

10.1 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 websites of the Company and the Stock Exchange.

– end –