

TAYANG 大洋
TA YANG GROUP HOLDINGS LIMITED
大洋集團控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(the “Company”)
(Stock Code: 1991)

**TERMS OF REFERENCE OF THE NOMINATION COMMITTEE
OF THE BOARD OF DIRECTORS**

Adopted on 16 May 2007
(Revised on 14 January 2014)
(Further revised on 28 March 2019)
(Further revised on 28 April 2023)

TA YANG GROUP HOLDINGS LIMITED
(大洋集團控股有限公司)
(incorporated in the Cayman Islands with limited liability)
(the “Company”)

Regulations (“Regulations”) relating to the nomination committee (the “Nomination Committee”) of the board of directors (the “Board”) of the Company

A. CONSTITUTION

Pursuant to the resolution passed on 16 May 2007 by the Board, the Nomination Committee is a committee of the Board.

B. NOMINATION COMMITTEE

1. Membership

- 1.1 Members of the Nomination Committee shall be appointed by the Board from amongst the directors of the Company only and shall consist of not less than three (3) members, with the majority being independent non-executive directors of the Company.
- 1.2 The chairman (the “**Chairman**”) of the Nomination Committee shall be appointed by the Board.
- 1.3 The company secretary of the Company shall be the secretary of the Nomination Committee. In the absence of the secretary of the Nomination Committee, Nomination Committee members present at the meeting may elect among themselves or appoint another person as the secretary for that meeting.
- 1.4 The appointment of the members of the Nomination Committee may be revoked, replace or additional members may be appointed to the Nomination Committee by separate resolutions passed by the Board. An appointment of Nomination Committee member shall be automatically revoked if such member ceases to be a member of the Board.

2. Proceedings of the Nomination Committee

2.1 Notice

2.1.1 Unless otherwise agreed by all the Nomination Committee members, a meeting of the Nomination Committee shall be called by at least seven (7) days' notice. Such notice shall be sent to each member of the Nomination Committee, and to any other person invited to attend. Irrespective of the length of notice being given, attendance of an Nomination Committee member at a meeting constitutes a waiver of such notice unless the Nomination 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.

2.1.2 A member of the Nomination Committee may and, on the request of a member of the Nomination Committee, the secretary to the Nomination Committee shall, at any time summon a meeting of the Nomination Committee. Notice shall be given to each member of the Nomination Committee orally in person or in writing or by telephone or by telex or telegram or facsimile transmission at the telephone number or facsimile number or address from time to time notified to the secretary by such member of the Nomination Committee or in such other means as the members may from time to time determine. Any notice given orally shall be confirmed in writing.

2.1.3 Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Nomination Committee for the purposes of the meeting should generally be delivered to all Nomination Committee members seven days (and in any event not less than three days) before the intended date of the Nomination Committee meeting (or such other period as all the Nomination Committee members may agree).

2.2 Quorum

The quorum of the Nomination Committee meeting shall be two (2) members of the Nomination Committee and a majority of which shall be the independent non-executive directors.

2.3 Attendance of meetings by non-members

Other members of the Board, apart from the members of the Nomination Committee, have the right to attend any meetings of the Nomination Committee, though they shall not be counted in the quorum.

2.4 Frequency of meetings

Meetings shall be held at least once every year. The members of the Nomination Committee may call any meetings at any time when necessary.

2.5 Voting

Resolutions of the Nomination Committee at any meeting shall be passed by a majority of votes of the members of the Nomination Committee present.

2.6 Others

Meetings could be held in person, by telephone or by video conference. Members of the Nomination Committee may participate in a meeting of the Nomination Committee by means of a telephone conference or similar communication equipment by means of which all persons participating in the meeting of the Nomination Committee to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

3. Written resolutions

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

4. Alternate members

A member of the Nomination Committee may not appoint any alternate.

5. Authority

The Nomination 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 Nomination Committee meetings and to supply information and address the questions raised by the Nomination 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 6 below can be properly discharged.

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

6. Duties

The duties of the Nomination Committee shall include, without limitation:

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

- (d) to make recommendations to the Board on
1. the role, responsibilities, capabilities, skills, knowledge, experience and diversity of perspectives required from members of the Board;
 2. the policy on the terms of employment of non-executive directors;
 3. the composition of the audit committee, remuneration committee and other board committees of the Company;
 4. proposed changes to the structure, size and composition of the Board;
 5. candidates suitably qualified to become members of the Board;
 6. the selection of individuals nominated for directorship;
 7. 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;
 8. 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;
 9. the appointment or re-appointment of directors;
 10. succession planning for directors, in particular the chairman and the chief executive; and
 11. 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:
1. succession planning of Directors;
 2. leadership needs of the Group with a view of maintaining or fostering the competitive edge of the Group over others;
 3. changes in market environment and commercial needs of the market in which the Group operates;
 4. the skills and expertise required from members of the Board;
 5. the Board Diversity Policy adopted from time to time;

6. whether the Directors devote sufficient time and make contributions to the Company that are commensurate with their role and Board responsibilities; and
 7. the relevant requirements of the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with regard to directors of a listed issuer;
- (f) to review the Board Diversity Policy as appropriate; and review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and make disclosure of the Board Diversity Policy or its summary in the corporate governance report of the Company annually; and
- (g) 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:
1. 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;
 2. if the proposed independent non-executive director will be holding their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;
 3. 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;
 4. the perspective, skills and experience that the individual can bring to the Board; and
 5. 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:
 - 1. 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;
 - 2. 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 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
- (l) to consider and implement other matters, as defined or assigned by the Board from time to time.

7. Reporting procedures

- 7.1 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.
- 7.2 The Nomination Committee shall report to the Board on a regular basis.
- 7.3 The secretary to the Nomination Committee shall circulate the draft and final minutes of meetings and all written resolutions of the Nomination Committee to all members of the Board.
- 7.4 The secretary to the Nomination Committee shall maintain as part of the Company's corporate records all approved minutes and reports.

8. Annual General Meeting of the Company

The Chairman or another member of the Nomination Committee shall attend the Company's annual general meetings and be prepared to respond to questions raised by shareholders on the Nomination Committee's activities and responsibilities.

9. Continuing applications 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 not inconsistent with the provisions of these Regulations shall apply, *mutatis mutandis*, to regulate the meetings and proceedings of the Nomination Committee.

10. Powers of the Board

The Board may, subject to compliance with the articles of association of the Company and the Listing Rules, amend, supplement and revoke these terms of reference and any resolution passed by the Nomination Committee provided that no amendments or supplements to and revocation of these terms of reference and the resolutions passed by the Nomination Committee shall invalidate any prior act and resolution of the Nomination Committee which would have been valid if these terms of reference or resolution had not been amended, supplemented or revoked.