PROSPEROUS INDUSTRIAL (HOLDINGS) LIMITED
其利工業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1731)

Terms of Reference of the Nomination Committee

(as adopted by the Board on 19 June 2018 and revised on 31 December 2018 and 20 March 2026)

1. Constitution

The Nomination Committee ("**Committee**") is established pursuant to a resolution passed by the board of directors ("**Board**").

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, a majority of whom shall be independent non-executive directors of the Company and at least one Member of a different gender.

2.2 The Chairman of the Committee (the "**Chairman**") shall be appointed by the Board and shall be the chairman of the Board or an independent non-executive director of the Company.

2.3 The appointment of the members of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee.

2.4 The constitution of the Committee shall comply with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as amended from time to time.

3. Proceedings of the Committee

3.1 Notice of Meeting

(a) Unless otherwise agreed by all the Committee members, a meeting shall be convened by at least seven days' notice.

(b) A Committee member may at any time summon a Committee meeting.

(c) Notice shall be given to each Committee member in person orally or in writing or by telephone or by facsimile transmission or email at numbers or addresses from time to time notified to the secretary of the Company by such Committee member or in such other manner as the Committee members may from time to time determine.

(d) Any notice given orally shall be followed by confirmation in writing before the meeting.

(e) 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 Committee for the purposes of the meeting. Such agenda and other documents should be sent in a timely manner and at least 3 days before the intended date of a meeting (or other period agreed by the Committee).

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

3.3 The Secretary of the Company shall act as the secretary of the Committee.

3.4 Other Board members shall also have the right of attendance.

4. Written resolutions

Written resolutions may be passed by all Committee members in writing. This provision is without prejudice to any requirement under the Listing Rules for a Board or Committee meeting to be held.

5. Alternate Committee members

Except for the situation as specified in clause 7(f) below, a Committee member may not appoint any alternate.

6. Authorities of the Committee

6.1 The Committee has the authority delegated to it from the Board to deal with the matters set out in clause 7 below.

6.2 The Committee shall be provided with sufficient resources to perform all of its duties. Where necessary, the Committee should seek independent professional advice, at the Company's expense, to perform its responsibilities.

7. Duties

The duties of the Committee shall be:

(a) to review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually, assist the Board in maintaining a Board skills matrix, 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 Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships. In identifying suitable candidates, the Committee shall consider candidates on merit and against the objective criteria, with due regard for the benefits of diversity on the Board;

(c) to support the Company's regular evaluation of the Board's performance;

(d) to assess the independence of independent non-executive directors of the Company;

(e) to make recommendations to the Board on the appointment or re-appointment of directors of the Company and succession planning for directors of the Company, in particular the chairman and the chief executive, taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future, together with the Board, as appropriate;

(f) to review the board diversity policy and the director appointment policy (as adopted and amended by the Board from time to time), to develop and review measurable objectives for the implementing the board diversity policy and the director appointment policy and to monitor the progress on achieving these objectives;

(g) to attend annual general meetings of the Company, and be available to answer questions at such annual general meetings.* The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders' approval. The Company's management should ensure the external auditor attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

**Note:* the Chairman shall attend annual general meetings of the Company; and in the Chairman's absence, another member of the Committee or failing this, the Chairman's duly appointed delegate, shall attend.

8. Reporting procedures

8.1 Full minutes of Committee meeting (which should record in sufficient detail the matters considered and decisions reached, including any concerns raised by directors or dissenting views expressed) shall be kept by a duly-appointed secretary of the meeting and should be open for inspection at any reasonable time on reasonable notice by any director of the Company. The duly-appointed secretary of the meeting shall circulate the draft and final version of minutes of meeting to all members of the Committee for their comments and records respectively within a reasonable time after the meeting is held, and circulate the final version of minutes of meeting to all directors of the Company within a reasonable time after the meeting is held. The procedures set out in this clause 8.1 shall also apply to the written resolutions of the Committee as referred to in clause 4 above.

8.2 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 as a restriction on disclosure due to regulatory requirements).

9. 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.

10. Powers of the Board

The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including Appendix 14 (the Corporate Governance Code and Corporate Governance Report) to the Listing Rules), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments 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 or revoked.

11. Language

If there is any inconsistency between the English and Chinese versions of these terms of reference, the Chinese version shall prevail.

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