

**NOMINATION COMMITTEE**  
**TERMS OF REFERENCE**

**1. Constitution**

- 1.1 The nomination committee (the “**Nomination Committee**”) of Cosmos Machinery Enterprises Limited (the “**Company**”) was established pursuant to a resolution of the board (the “**Board**”) of directors (the “**Directors**”) of the Company passed on 29 March 2012.

**2. Membership**

- 2.1 All members of the Nomination Committee (the “**Members**”) shall be appointed by the Board and can be removed by the Board at its sole discretion.
- 2.2 The majority of the Members shall be independent non-executive Directors (“**INEDs**”).
- 2.3 At least one Member shall be a director of a different gender.
- 2.4 The Board shall appoint the chairman of the Nomination Committee who shall be the chairman of the Board or an INED.

**3. Secretary**

- 3.1 The company secretary of the Company shall be the secretary of the Nomination Committee.
- 3.2 The secretary, or in his/her absence, the Nomination Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Nomination Committee.

**4. Proceedings of Meetings and Quorum**

- 4.1 The Nomination Committee shall meet at least once a year.

- 4.2 The quorum for decisions of the Nomination Committee shall be any three Members, one of whom must be an INED.
- 4.3 The meetings and proceedings of the Nomination Committee are governed by the provisions contained in the Company's articles of association for regulating the proceedings of the Directors. However, notice of any 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 meeting is not required if adjournment is for less than 14 days.
- 4.4 Meetings could be held in person, by telephone, by video conference or through other electronic means of communication. Members may participate in a meeting by means of said conference or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.
- 4.5 Minutes and resolutions in writing shall be kept by the secretary of the Nomination Committee. Draft and final versions of minutes should be circulated to all Members for their comment and records respectively, in both cases within a reasonable period of time after the meeting. Minutes and resolutions in writing shall be made available for inspection on reasonable notice by any Directors.
- 4.6 Resolutions of the Nomination Committee shall be passed by a majority of votes. Only Members are entitled to vote at a meeting.
- 4.7 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 Nomination Committee duly convened and held.

## **5. Attendance at Meetings**

- 5.1 The Nomination Committee may invite any Director, external adviser or other person to attend all or part of any meeting(s).

## **6. Annual General Meeting**

- 6.1 The chairman of the Nomination Committee or in his/her absence, another Member or failing this, his/her duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to the shareholders' questions on the Nomination Committee's activities and their responsibilities.

## **7. Responsibilities, Powers and Functions**

The Nomination Committee shall have the following responsibilities, powers and functions:

- 7.1 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;
- 7.2 to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of qualified individuals for appointment as additional Directors or to fill Board vacancies as and when they arise with due regard for the benefits of diversity on the Board. Such appointment is subject to the approval of the Board;
- 7.3 to assess the independence of INEDs;
- 7.4 to conduct an annual assessment of each Director's time commitment and contribution to the Board, as well as the Director's ability to discharge his/her responsibilities effectively;
- 7.5 to support the Company's regular evaluation of the Board's performance;
- 7.6 to review the Board diversity policy, including any measurable objectives and the progress on achieving the objectives, and make disclosure of the policy or a summary of the policy in the corporate governance report annually;
- 7.7 to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors in particular the chairman of the Board and the chief executive officer of the Company;
- 7.8 for corporate governance issues, the Nomination Committee should (i) review and monitor the training and continuous professional development of Directors and senior management (if any); and (ii) develop, review and monitor the code of conduct and compliance manual (if any) applicable to the Company's employees and Directors;

- 7.9 to exercise such other powers, authorities and discretion, and perform such other duties, of the Directors in relation to the nomination as the Board may from time to time delegate to it, having regard to the Corporate Governance Code of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and
- 7.10 to develop, review and implement, as appropriate, the nomination policy, criteria and procedures for identification, selection and nomination of candidates for the role of shareholder-elected Directors for the Board's approval.

## **8. Reporting**

- 8.1 The chairman of Nomination Committee shall report to the Board regularly at next meeting of the Board following a meeting of the Nomination Committee, on matters within its remit.

## **9. Authority**

- 9.1 The Nomination Committee is authorized by the Board to obtain outside independent professional advice, at the Company's expenses to perform its duties.
- 9.2 The Nomination Committee shall be provided with sufficient resources to perform its duties.

## **10. Publication of the Terms of Reference**

- 10.1 The terms of reference are posted on the respective websites of the Company and The Stock Exchange of Hong Kong Limited in order to explain its role and the authority delegated to it by the Board. A copy of the terms of reference will be made available to any person without charge upon request.

Revised on 18 June 2025

*(The English version of these terms of reference shall prevail in case of any discrepancy or inconsistency between the English version and its Chinese version.)*