

# **XIAMEN YAN PALACE BIRD'S NEST INDUSTRY CO., LTD.**

## **廈門燕之屋燕窩產業股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1497)**

### **POLICY OF DIRECTOR NOMINATION AND BOARD DIVERSITY**

#### **Article 1 Purpose**

The purpose of this policy is to set out the guidelines and policies to be adopted by the board of directors (the “**Board**”) of Xiamen Yan Palace Bird’s Nest Industry Co., Ltd. (the “**Company**”) to nominate directors and achieve Board diversity.

#### **Article 2 General Requirements**

- (1) All Board members shall be appointed on the basis of merit, and the benefits of diversity (including gender diversity) of the Board shall be fully taken into account in the consideration of candidates on appropriate terms.
- (2) The Board and the Nomination Committee of the Board (the “**Nomination Committee**”) will take due account of a number of factors (collectively, the “**conditions**”) in evaluating, selecting and recommending to the Board one or more candidates for appointment or re-election as a director, including but not limited to: (a) diversity of views, including but not limited to gender, age, cultural and educational background, professional experience, skills, regional and industry experience, ethnicity, knowledge and years of service; (b) qualifications, including achievements and experience in the relevant industries in which the Company’s business is carried out and other professional qualifications; (c) commitment to the responsibilities of the Board in terms of available time investment; (d) reputation for integrity; (e) the contribution that the candidate can bring to the Board; and (f) one or more plans for the orderly implementation of Board succession. A decision will ultimately be made on the merits of the candidate and the contribution he or she can make to the Board. The composition of the Board (including gender, age, tenure of service) will be disclosed annually in the Corporate Governance Report.
- (3) In addition to such conditions, the Board and the Nomination Committee will assess and recommend one or more candidates for the post of independent non-executive director of the Company having due regard to a number of factors, including but not limited to the independence and appointment requirements of independent non-executive directors under the regulatory rules of the place where the Company’s shares are listed.

- (4) The Company understands and believes that the diversity of the Board is of great benefit to enhancing the performance quality of the Company. In order to achieve sustainable and balanced development, the Company regards increasing diversity at the board level as a key element to enable it to achieve its strategic objectives and maintain sustainable development. The Company aims to establish and maintain a diverse Board with a balance of skills, professional experience, educational background, knowledge, expertise, culture, independence, age and gender. The Company is committed to maintaining gender diversity on the Board and at the working level, including senior management. In particular, the Company will strive to maintain that the Board and senior management have at least one member who is not of the same gender as the other members. The Nomination Committee will use its best efforts to identify and propose female director candidates for consideration and appointment by the Board and Shareholders under appropriate conditions. The Company will continue to pay attention to the cultivation of female talents, promote gender diversity in the recruitment of middle and senior staff, and provide more development opportunities for female employees.

### **Article 3 Procedures, Monitoring, Reporting and Disclosure**

- (1) The Nomination Committee shall perform its duties, examine and nominate director candidates in accordance with the procedures and requirements stipulated in this policy, the Company's Articles of Association and relevant laws and regulations.
- (2) The Nomination Committee will review this policy regularly to ensure that it is effective. The Nomination Committee shall establish and implement a formal process to monitor the implementation of this policy as appropriate. The Nomination Committee shall discuss and report improvements and recommendations to the Board for its consideration and approval.
- (3) The Nomination Committee will review and report on the composition of the Board annually in the Corporate Governance Report, and monitor and report on the implementation of the diversity policy of the Board.