



AUTO ITALIA HOLDINGS LIMITED

意達利控股有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 720)

BOARD DIVERSITY POLICY

1. PURPOSE

This policy (the “**Policy**”) aims to set out the approach to achieve diversity on the board of directors (the “**Board**”) of AUTO ITALIA HOLDINGS LIMITED (the “**Company**”) with the aim of enhancing Board effectiveness and corporate governance as well as achieving the Company’s business objectives and sustainable development.

2. VISION

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance.

3. POLICY STATEMENT

With a view to achieving a sustainable and balanced development, the Board considers the increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board’s composition, Board diversity has been considered from a wide range of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, required expertise, skills, knowledge and length of service of each Board member. All appointments of the Board members will be based on meritocracy and candidates will be considered against objective criteria having due regard for the benefits of diversity on the Board.

* For identification purpose only

4. MEASURABLE OBJECTIVES

Selection of candidates for directorship will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, required expertise, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition (including gender, ethnicity and age) will be disclosed annually in the Company's annual report (the "**Annual Report**").

5. SCOPE

For the purpose of this Policy, the Company considers that the concept of diversity incorporates a number of different aspects, such as professional experiences, business perspectives, required expertise, skills, knowledge, gender, age, cultural and educational background, ethnicity and length of service.

5.1 Independence

- (i) The Board believes that independence is a matter of judgement and conscience but that, to be independent, Non-Executive Directors should be free from any business or other relationship which might interfere with the exercise of their independent judgement. The Board reviews the independence of Directors on an annual basis. The Board includes a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors so that there is a strong element of independence in the Board. The independent non-executive Directors shall be of sufficient calibre and stature for their views to carry weight.
- (ii) Independence is more likely to be questioned if the Director is a director, partner or principal of a professional adviser which currently provides or has within three years immediately prior to the date of his/her proposed appointment provide services, or is an employee of such professional adviser who is or has been involved in providing such services during the same period, to:-
 - (a) the Company, its holding company or any of their respective subsidiaries or core connected persons; or

- (b) any person who was a controlling Shareholder or, where there was no controlling Shareholder, any person who was the chief executive or a Director (other than an independent non-executive Director), of the Company within one year immediately prior to the date of the proposed appointment, or any of their close associates.
- (iii) Independence is also likely to be questioned if the Director is currently, or within one year immediately prior to the date of his/her proposed appointment, has a material interest in any principal business activity of or is involved in any material business dealing with the Company, its holding company or their respective subsidiaries or with any core connected persons of the Company.
- (iv) The Board should state its reasons if it determines that a Director is independent notwithstanding that he/she holds cross-directorships or has significant links with other directors through involvements in other companies or bodies.
- (v) 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:-
 - (a) the process used for identifying him/her and why the Board believes he/she should be elected and the reasons why they consider him/her to be independent;
 - (b) the reasons for the Board believes the person would still be able to devote sufficient time to the Board if the proposed independent non-executive director will hold his/her seventh (or more) the public companies directorship;
 - (c) the perspectives, skills and experience that he/she can bring to the Board; and
 - (d) how he/she contributes to diversity of the Board.

5.2 Gender

The Company is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment or discrimination on the basis of gender, physical or mental state, race, nationality, religion, age, family status or sexual orientation, or any other attribute recognised by the laws of the country in which the Company operates. The same principle is applied to the selection of potential candidates for appointment to the Board.

5.3 Nationality and ethnicity

To cope with the diversified portfolio of the Company's businesses, the Company aspires to having a Board of different nationality or ethnic backgrounds who can contribute their knowledge and understanding of the environment in which the Company operates its business.

5.4 Skills and Experience

The Board possesses a balance of skills appropriate for the requirements of the business of the Company. The Directors have a mix of finance, investment, automotive, and management backgrounds that taken together provide the Company with considerable experience in a range of activities including varied industries, automotive, financial services, investment and professional advisory services.

6. MONITORING AND REPORTING

The nomination committee of the Company (the “**Nomination Committee**”) reviews and assesses the composition of the Board and makes recommendations to the Board on appointment of new directors of the Company. The Nomination Committee will issue a report annually in the Company’s Annual Report on the Board’s composition under diversified perspectives, and monitor the implementation of this Policy.

7. REVIEW OF THIS POLICY

The Nomination Committee will review this Policy at least annually to ensure its continued effectiveness. The Nomination Committee will discuss any amendments that may be required and recommend any such amendment(s) to the Board for consideration and approval.

8. DISCLOSURE OF THIS POLICY

A summary of this Policy together with the measurable objectives which the Board has set for implementing this Policy and the progress made towards achieving those objectives will be disclosed in the Company's Annual Report annually.

The Chinese version is for reference only. Should there be any discrepancies, the English version will prevail.

November 2022