

AVI-TECH HOLDINGS LIMITED BOARD DIVERSITY POLICY

1. INTRODUCTION

- 1.1 AVI-TECH HOLDINGS LIMITED (the “**Company**”) recognises and embraces the benefits of having a diverse board. The board diversity policy (the “**Policy**”) aims to set out the approach to achieve diversity on the board of directors (the “**Board**”) of the Company.

2. POLICY STATEMENT

- 2.1. The Company views that having diversity at the Board enables the management to benefit from a diverse and objective external perspective on issues raised before the Board and is an important element in supporting the attainment of its strategic objectives and its sustainable development. A diverse Board will also enhance the decision-making process of the Board through the perspectives derived from directors with various industry knowledge, skills, experience, professional qualification, gender and age.
- 2.2. In terms of the Board’s composition, the Company seeks to have a Board that comprises directors who as a group provide an appropriate balance and mix of complementary skills, core competencies, knowledge, experience, and other aspects of diversity such as gender and age. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

3. PLANS

- 3.1. In order to maintain or enhance its balance and diversity, the Board will take the following steps:
- 3.1.1. annual review by the Nominating Committee to assess if the existing attributes and core competencies of the Board are complementary and will enhance the efficacy of the Board; and
 - 3.1.2. annual evaluation by the directors of the Company (“**Directors**”) of the skill sets the other Directors possess, with a view to understanding the range of expertise which is lacking by the Board.
- 3.2. The Nominating Committee will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent Directors.
- 3.3. When reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of directors, the Nominating Committee will consider all aspects of diversity in order to arrive at an optimum balanced composition of the Board.

4. SETTING OBJECTIVES

- 4.1. The Nominating Committee will discuss and agree on the relevant objectives and set reasonable timelines, where appropriate, for achieving diversity on the Board and recommend the same to the Board for consideration and approval. The objectives and the progress in achieving them will be assessed annually.
- 4.2. The final decision on selection of directors will be based on merit against an objective criteria that complements and expands the skills and experience of the Board as a whole, and after having given due regard to the overall balance and effectiveness of a diverse Board.

5. IMPLEMENTATION AND REPORTING

- 5.1. The Nominating Committee will monitor the implementation of this Policy and report to the Board, as and when necessary, on the progress made in achieving the objectives. The Company will also disclose the progress in the Corporate Governance Report on an annual basis.

6. REVIEW OF THIS POLICY

- 6.1. The Nominating Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Nominating Committee will discuss any revisions or improvements that may be required, and recommend any such revisions to the Board for consideration and approval.