

**ZHONGCHANG INTERNATIONAL HOLDINGS GROUP LIMITED**  
**(中昌國際控股集團有限公司)**  
**(the "Company")**

**NOMINATION POLICY**

Effective on 1 January 2019

(Approved by the written resolution of the Nomination Committee dated 31 December 2018) and confirmed by written resolutions of the directors dated 31 December 2018

## **OBJECTIVE**

1. This Nomination Policy aims to list out the principles and procedures for selection and nomination of members to the board of directors of the Company ("**Board**"), to ensure the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.
2. The Nomination Committee ("NC") shall nominate suitable candidates to the Board for it to consider and make recommendations to shareholders for election as directors of the Company at general meetings or appoint as directors to fill casual vacancies.
3. The NC may, as it considers appropriate, nominate a number of candidates more than the number of directors to be appointed or re-appointed at a general meeting, or the number of casual vacancies to be filled.

## **SELECTION CRITERIA**

4. The factors listed below would be used as reference by the NC in assessing the suitability of a proposed candidate.

### **Common Criteria for All Directors**

- 4.1. Reputation for integrity, character and integrity
- 4.2. Commitment in respect of available time
- 4.3. The willingness to assume broad fiduciary responsibility
- 4.4. Present needs of the Board for particular experience or expertise and whether the candidate would satisfy those needs
- 4.5. Relevant experience, including experience at the strategy/policy setting level, high level managerial experience in a complex organization, industry experience and familiarity with the products and processes used by the Company
- 4.6. Significant business or public experience relevant and beneficial to the Board and the Company
- 4.7. Breadth of knowledge about issues affecting the Company
- 4.8. Ability to objectively analyse complex business problems and exercise sound business judgment
- 4.9. Ability and willingness to contribute special competencies to Board activities
- 4.10. Fit with the Company's culture

- 4.11. Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service

**Criteria Applicable to Non-executive Directors/Independent Non-executive Directors**

- 4.12. Willingness and ability to make a sufficient time commitment to the affairs of the Company in order to effectively perform the duties of a director (including attendance at and active participation in Board and committee meetings), which will include considering the other responsibility of the relevant candidate (such as other directorships held in public companies the securities of which are listed any securities market in Hong Kong or overseas and other major appointments, if any) and the effort and time that may be required by the candidate in fulfilling such role
- 4.13. Accomplishments of the candidate in his/her field
- 4.14. Outstanding professional and personal reputation
- 4.15. The candidate's ability to meet the independence criteria for directors established in the Listing Rules
5. These factors are for reference only, and not meant to be exhaustive and decisive. The NC has the discretion to nominate any person, as it considers appropriate.
6. Retiring directors, save for those who have served as independent non-executive directors for a period of 9 consecutive years, are eligible for nomination by the Board to stand for re-election at a general meeting. Any independent non-executive director of the Company who has served such role for a period of 9 consecutive years are, subject to the NC having satisfied that he / she still maintains his / her independence and that his / her continuation to serve in such role is in the interest of the Company and its shareholders as a whole, be eligible for nomination by the Board to stand for re-election at a general meeting.
7. Proposed candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as such directorship of the Company and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as such directorship.
8. The NC may request candidates to provide additional information and documents, if considered necessary.

**NOMINATION PROCEDURES**

9. The Human Resources team of the Company shall be responsible to liaise with the Company Secretary to call a meeting of the NC, and invite nominations of candidates from Board members if any, for consideration by the NC prior to its

meeting. The NC may also put forward candidates who are not nominated by Board members.

10. For filling a casual vacancy, the NC shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the NC shall make nominations to the Board for its consideration and recommendation. The NC follows the procedures below when considering nomination of directors:
  - 10.1. the NC will evaluate the balance of skills, knowledge and experience of the Board, and identifies any special requirements for the vacancy or the directorship the candidate is proposed to take (e.g. independence status in the case of an independent non-executive director);
  - 10.2. the NC will consider the role and capabilities required for the particular vacancy or the directorship;
  - 10.3. the NC will identify candidates through personal contacts/recommendations by Board members, senior management, business partners or investors, and will to the extent possible select from a broad range of candidates who are outside the Board's circle of contacts in accordance with the Company's Board Diversity Policy;
  - 10.4. where appropriate, the NC will conduct interview with the relevant candidate to evaluate whether he/she meets the aforesaid selection and nomination criteria, and verify the information provided by the candidate;
  - 10.5. the NC will make recommendations to the Board on the appointment or re-appointment of directors.
11. The NC shall ensure the selection process should be transparent and fair.
12. For the avoidance of doubt, the ultimate responsibility for selection and appointment of directors rests with the entire Board.
13. Until the issue of the shareholder circular, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.
14. In order to provide information of the candidates nominated by the Board to stand for election at a general meeting, a circular will be sent to shareholders. The names, brief biographies (including qualifications and relevant experience), independence (for independence non-executive directors), proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates will be included in the circular to shareholders.
15. "Procedures for Shareholders to propose a person for election as a director" shall apply in respect of the nomination by shareholder(s) of person for election as director.

16. A candidate is allowed to withdraw his / her candidature at any time before the despatch of circular to shareholders for election at the general meeting by serving the Company a notice in writing provided that such notice shall be served on the Company not less than 3 business days prior to the despatch of the said circular.
17. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

## **CONFIDENTIALITY**

18. Unless required by law or any regulatory authority, under no circumstances shall a member of the NC or a staff member of the Company disclose any information to or entertain any enquiries from the public with regard to any nomination or candidature before the circular to shareholders, as the case may be, is issued. Following the issue of the circular, the NC or other staff member of the Company, approved by the NC may answer enquiries from the regulatory authorities or the public but confidential information regarding nominations and candidates should not be disclosed.

## **REVIEW**

19. In addition to meeting for the purpose of considering Board appointment(s), the NC shall from time to time (and at least once annually) meet:
  - 19.1. to review and consider the performance of the Board, including but not limited to looking at benchmarking how the Company's Board measures up against the other boards in Hong Kong of peer issuers;
  - 19.2. to consider the need to refresh the Board composition regularly to avoid entrenchment and to attract fresh thinking;
  - 19.3. to consider Board succession planning and conduct periodical reviews of the plan to ensure the long term success of the Company;
  - 19.4. to monitor and review this Nomination Policy to ensure that it remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice.
20. The NC will continually review this Nomination Policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel this Nomination Policy at any time.
21. The Board may in accordance with the requirements of the relevant laws and regulations disclose in the Company's Corporate Governance Report annually of any information regarding this Nomination Policy, procedures and objectives made for implementation of this Nomination Policy and the progress made towards achieving the objectives.