



**HUNG FOOK TONG**

**Hung Fook Tong Group Holdings Limited**

鴻福堂集團控股有限公司

(the “Company”)

*(Incorporated in the Cayman Islands with limited liability)*

**Stock Code: 1446**

## **DIRECTOR NOMINATION POLICY**

*(Adopted by the Company pursuant to the Board resolution passed on 31 December 2018)*

### **1. PURPOSE**

1.1. This Director Nomination Policy (the “**Policy**”) aims at:

- setting out the criteria and process in the nomination and appointment of directors of the Company;
- ensuring that the board of directors (the “**Board**”) of the Company has a balance of skills, experience and diversity of perspectives appropriate to the Company; and
- ensuring the Board continuity and appropriate leadership at Board level.

### **2. SCOPE**

2.1. This Policy applies to the directors of the Company and where applicable, senior management with the aim of promoting to Board positions under the succession planning of the Company.

### **3. RESPONSIBILITIES**

3.1. The Board has delegated its responsibilities and authority for selection and appointment of directors of the Company to the Nomination Committee of the Company.

3.2. Without prejudice to the authority and duties of the Nomination Committee as set out in its terms of reference, the ultimate responsibility for selection and appointment of directors of the Company rests with the entire Board.

## 4. NOMINATION AND APPOINTMENT OF DIRECTORS

### 4.1. Criteria

- 4.1.1. In evaluating and selecting any candidate for directorship, the following criteria should be considered:
- character and integrity;
  - qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy;
  - any measurable objectives adopted for achieving diversity on the Board;
  - requirement for the Board to have independent directors in accordance with the Hong Kong Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**");
  - any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;
  - willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company; and
  - such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of directors and succession planning.

### 4.2. Nomination Process

#### 4.2.1. Appointment of New Director

- 4.2.1.1. The Nomination Committee and/or the Board should, upon receipt of the proposal of appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- 4.2.1.2. If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- 4.2.1.3. The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.

4.2.1.4. For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

4.2.1.5. Where appropriate, the Nomination Committee and/or the Board should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

#### 4.2.2. Re-election of Director at General Meeting

4.2.2.1. The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring director and the level of participation and performance on the Board.

4.2.2.2. The Nomination Committee and/or the Board should also review and determine whether the retiring director continues to meet the criteria as set out above.

4.2.2.3. The Nomination Committee and/or the Board should then make recommendation to shareholders in respect of the proposed re-election of director at the general meeting.

4.2.3. Where the board proposes a resolution to elect or re-elect a candidate as director at the general meeting, the relevant information of the candidate will be disclosed in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

## **5. MONITORING AND REPORTING**

5.1. A summary of this Policy including the nomination procedures and the process and criteria adopted for selection and recommendation for directorship, should be disclosed in the Company's corporate governance report.

## **6. REGULAR REVIEW**

6.1. The Nomination Committee will conduct regular review on the structure, size and composition of the Board and this Policy and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs.

*Note: If there is any inconsistency between the English and Chinese versions of this Policy, the English version shall prevail.*

31 December 2018