

# **KangLi International Holdings Limited**

康利國際控股有限公司\*

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

## **NOMINATION POLICY**

**ADOPTED BY THE BOARD ON 31 December 2018**

### **1. Constitution**

1.1 The Nomination Policy (the “Policy”) was approved and adopted on 31 December 2018 pursuant to a resolution passed on the same day by the board (the “Board”) of directors (the “Directors”) of KangLi International Holdings Limited (the “Company”).

### **2. Purpose and Principles**

2.1 The Policy is to ensure that the Board maintains a balance of skills, experience and diversity of perspectives appropriate to the requirement of the Company’s business.

2.2 The nomination committee of the Company (the “Nomination Committee”) has been delegated to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships.

2.3 The Board is ultimately responsible for selection and appointment of new Directors.

### **3. Director Nomination Process**

3.1 The Nomination Committee utilizes various methods for identifying director candidates, including recommendations from Board members, management, and professional search firms. In addition, the Nomination Committee will consider director candidates properly submitted by shareholders of the Company (the “Shareholders”).

3.2 All director candidates, including incumbents and candidates nominated by Shareholders are evaluated by the Nomination Committee based upon the director qualifications, as summarized below. While director candidates will be evaluated on the same criteria, the Nomination Committee retains the discretion to establish the relative weighting of such criteria, which may vary based on the composition, skill sets, and experiences of the collective Board rather than on the individual candidate.

3.3 The evaluation of director candidates may include, without limitation, the following:

- Review of resume and job history;
- Personal interviews;
- Verification of professional and personal references; and
- Performance of background checks.

3.4 The Board will take such recommendations under advisement and is responsible for designating the director candidates to be elected at the annual general meeting of the Company and electing directors to fill Board vacancies.

#### **4. Director Selection Criteria**

4.1 In considering candidates for director nominee, the Nomination Committee will take into account whether a candidate has the qualifications, skills, experience and gender diversity that add to and complement the range of skills, experience and background of existing Directors.

4.2 The Nomination Committee considers the following qualifications are at a minimum to be required of a director candidate in recommending to the Board potential new Director, or the continued service of existing Director:

- (a) the highest personal and professional ethics and integrity;
- (b) proven achievement and competence in the nominee's field and the ability to exercise sound business judgment;
- (c) skills that are complementary to those of the existing Board;
- (d) the ability to assist and support management and make significant contributions to the Company's success;
- (e) an understanding of the fiduciary responsibilities that is required of a member of the Board and the commitment of time and energy necessary to diligently carry out those responsibilities; and
- (f) independence: the independent non-executive director candidates should meet the "independence" criteria as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and the composition of the Board is in conformity with the provisions of the Listing Rules.

4.3 Other than the foregoing, there are no stated minimum criteria for director candidate, although the Nomination Committee may also consider such other factors as it may deem are in the best interests of the Company and its Shareholders. The Nomination Committee

does, however, believe it appropriate for at least one independent non-executive Director to have appropriate professional qualifications or accounting or related financial management expertise as required under the Listing Rules.

## **5. Board succession plan**

5.1 The Nomination Committee shall assess whether any vacancy on the Board has been created or is expected due to a Director's death, resignation, retirement, disqualification, removal from office or other cause or due to an increase in the authorized number of Directors on a regular basis or as required.

5.2 Depending on the circumstances, the Nomination Committee may endeavor to identify in advance one or more candidates who may fill those expected vacancies. The Nomination Committee develops the criteria to be applied in identifying candidates, based upon the considerations described in Section 4 above.

## **6. Disclosure of the Policy**

6.1 The Company shall disclose the summary of the Policy and the progress made towards achieving the objectives set in the Policy periodically (e.g. in the corporate governance report).

## **7. Evolution**

7.1 To ensure that the existing Policy continues to be implemented smoothly in practice, the Company shall undertake regular reviews of the Policy having regard to the regulatory requirements, good corporate governance practice and the expectations of the Shareholders and other stakeholders of the Company.

*\* For identification purposes only*