



**中遠海運國際(香港)有限公司**  
COSCO SHIPPING INTERNATIONAL (HONG KONG) CO., LTD.

## **Director Appointment Policy**

**Revised version dated 24th August 2017**

## **Director Appointment Policy**

The board of directors (the “Board”) of COSCO SHIPPING International (Hong Kong) Co., Ltd. (the “Company”) adopted this director appointment policy (the “Policy”) which applies to the Board on 22nd December 2008.

### **1. Purpose**

The primary objective of the Policy is to provide a framework and set standards for the appointment of high quality directors who should have the capacity and ability to lead the Company towards achieving sustainable development. The Company aims to achieve a balance of experience and skills amongst its directors.

### **2. Accountabilities**

- 2.1 The Board is ultimately responsible for the appointment of directors.
- 2.2 The Board delegates responsibility for the assessing and selecting the candidates for directors to the Nomination Committee which then makes recommendations for nominations of new directors to the Board as a whole.

### **3. Role of the Nomination Committee**

The Nomination Committee is responsible for:

- 3.1 reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company’s corporate strategy, with due regard to the Board Diversity Policy;
- 3.2 identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorship;

- 3.3 making recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the Chairman, the Vice Chairman and the Managing Director;
- 3.4 assessing the independence of independent non-executive directors;
- 3.5 monitoring the annual checks and assessment on the members of the Board, including the suitability and the sufficiency of time commitment of non-executive directors; and
- 3.6 monitoring the implementation of Board Diversity Policy and reviewing such policy, as appropriate, to ensure the effectiveness of Board Diversity Policy.

#### **4. Appointment of directors**

- 4.1 Matching the needs of the Company and enhancing the competencies of the Board are the basis for the Nomination Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination Committee has regard to:
  - assessing the appointee against a range of criteria which includes but not be limited to skills, regional and industry experience, background, race, gender and other qualities required to operate successfully in the position, with due regard for the benefits of diversity of the Board;
  - the extent to which the appointee is likely to contribute to the overall effectiveness of the Board and work constructively with the existing directors;
  - the skills and experience that the appointee brings to the role and how they will enhance the skill sets and experience of the Board as a whole;
  - the nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;
  - the time commitment required from a director to actively discharge his duties to the Company.
- 4.2 Personal specifications for directors
  - Degree holder in relevant disciplines;

- Experience of management in a diverse organization;
- Excellent interpersonal, communication and representational skills;
- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- Having continuous professional development to refresh knowledge and skills.

For details of the personal specifications for director, please refer to the attachment.

- 4.3 Every director should ensure that he can give sufficient time and attention to the Company's affairs and should not accept the appointment if he cannot do so. The executive directors are required to pay more time in managing the day to day operation of the Company.
- 4.4 The Policy is aimed to engage directors (including non-executive directors and independent non-executive directors) who are highly skilled, competent and experienced persons within the fields of business, finance, accounting or law, and who shall be able to positively carry out their supervisory role over the policies of the management of the Company and the general affairs of the Company.
- 4.5 The Company requires appointing at least one of the independent non-executive directors who must have appropriate professional qualifications or accounting or related financial management expertise in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").
- 4.6 In addition to those requirements specified in the clauses 4.2 and 4.3, the independent non-executive directors shall also fulfill the requirements pursuant to rule 3.13 of the Listing Rules to ensure their independence.

In assessing the independence of a non-executive director, the following factors shall be taken into account, whether the director:

- (i) holds more than 1% of the number of issued shares of the Company;

- (ii) has received an interest in any securities of the Company as a gift, or by means of other financial assistance, from a core connected person or the Company itself. However, the director will still be considered independent if he receives shares or interests in securities from the Company or its subsidiaries (but not from core connected persons) as part of his director's fee or pursuant to share option schemes established in accordance with Chapter 17 of the Listing Rules;
- (iii) is a director, partner or principal of a professional adviser which currently provides or has within one year immediately prior to the date of his proposed appointment provided 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;
- (iv) has a material interest in any principal business activity of or is involved in any material business dealings with the Company, its holding company or their respective subsidiaries or with any core connected persons of the Company;
- (v) is on the board specifically to protect the interests of an entity whose interests are not the same as those of the shareholders as a whole;

- (vi) is or was connected with a director, the chief executive or a substantial shareholder of the Company within two years immediately prior to the date of his proposed appointment;
- (vii) is, or has at any time during the two years immediately prior to the date of his proposed appointment been, an executive or director (other than an independent non-executive director) of the Company, of its holding company or of any of their respective subsidiaries or of any core connected persons of the Company; and
- (viii) is financially dependent on the Company, its holding company or any of their respective subsidiaries or core connected persons of the Company.

## **5. Letters of Appointment**

Each director is required to sign the letter of appointment with the Company.

## **6. Appointment Procedure**

- 6.1 The Nomination Committee shall ensure that the appointment of directors will be in terms of the Policy and recommendations are made to the full Board for appointment.
- 6.2 External consultants may from time to time be used to access a wide base of potential directors.

Revised on 22nd March 2012  
Revised on 20th August 2013  
Revised on 24th August 2017

Attachment

**Personal Specification for Directors**

1. Qualification
  - Degree holder in relevant disciplines (e.g. management, accountancy, legal and shipping related); or
  - Recognised specialist
  
2. Experience
  - Experience of management in a diverse organisation locally, in the PRC or overseas
  - Experience in accounting and finance, administration, corporate and strategic planning or fund management
  - Demonstrable ability to work effectively with a Board of Directors
  
3. Skills
  - Excellent interpersonal, communication and representational skills
  - Demonstrable leadership skills
  - Extensive team building and management skills
  - Strong influencing and negotiating skills
  - Having continuous professional development to refresh knowledge and skills
  
4. Abilities and Attributes
  - Commitment to high standards of ethics, personal integrity and probity
  - Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace