

# **China International Marine Containers (Group) Co., Ltd. Implementation Rules of the Nomination Committee of the Board of Directors**

(Approved at the 26th meeting in 2018 of  
the eighth session of the Board of Directors held on 24 December 2018)

## **CHAPTER I GENERAL PROVISIONS**

- Rule 1** In order to regulate the appointment of the directors (the “Directors”) of China International Marine Containers (Group) Co., Ltd. (hereinafter referred to as the “Company”) and to improve its corporate governance structure, the Company has set up a Nomination Committee (the “Committee”) under the board of the Directors of the Company (the “Board”) and formulated these implementation rules (hereinafter referred to as the “Rules”) in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Articles of Association of China International Marine Containers (Group) Co., Ltd. (hereinafter referred to as the “Articles of Association”), the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange Limited (hereinafter referred to as the “Listing Rules”), the Guidance for Boards and Directors issued by the Hong Kong Stock Exchange and other pertinent regulations. If there’s any inconsistency, discrepancy or conflict between the Rules and any relevant applicable laws, regulations, the Articles of Association and the Listing Rules, the most stringent provisions shall prevail.
- Rule 2** The Committee is a specialized working organization set up by the Board in accordance with the Articles of Association, mainly responsible for considering and making recommendations to the Board in respect of the candidates, election procedures, criteria and qualifications for selecting Directors of the Company. The appointment of Directors shall not be the only purpose for the Committee to convene meetings; instead, the Committee shall hold meetings to review the performance of the Board on a regular basis.

## **CHAPTER II COMPOSITION OF THE COMMITTEE**

- Rule 3** The Committee shall consist of three Directors, with the majority of them being independent non-executive Directors.
- Rule 4** Members of the Committee shall be nominated by the chairman of the Board, more than half of the independent non-executive Directors or more than one-third of all Directors and shall be appointed through election by the Board.
- Upon passing the proposal for election of Committee members, newly appointed members shall take office immediately after the conclusion of such board meeting.
- Rule 5** The Committee shall have one chairman (convener), who is an independent non-executive Director, responsible for leading the work of the Committee. The chairman of the Committee shall be appointed by the Board.

**Rule 6** The term of office for a Committee member shall be concurrent with the term of his/her directorship. A Committee member may be re-elected for appointment upon the conclusion of his/her term of office. A Committee member shall be automatically disqualified as such if during his/her term of office he/she ceases to be a Director of the Company, or when a Committee member who is required to be an independent non-executive Director loses the independence as required by the Articles of Association and the Listing Rules, and the Board shall fill the vacancy in accordance with provisions set out in Rules 3 to 5 hereof. A Committee member shall not be dismissed without cause before the expiration of his/her term of office unless the Company Law, the Articles of Association or the Listing Rules prohibit the member to hold the position.

**Rule 7** The Board secretary is responsible for the general liaison work, organising meetings and implementation of resolutions of the Committee.

### **CHAPTER III SCOPE OF AUTHORITY**

**Rule 8** The principal duties and scope of authority of the Committee shall be:

- (1) to carry out regular reviews on an annual basis in respect of the structure, size and composition (including the skills, knowledge, diversity policies and experience) and the formal procedures for the nomination policies of the Board and make recommendations with regard to any contemplated changes made to the Board in line with the Company's strategies in order to reflect the current regulatory requirements and good corporate governance practices;
- (2) to recruit the Board members and to assess and evaluate the best composition of the Board members pursuant to the Company's established strategies and objectives; to identify individuals with suitable qualifications for directorship of the Company, and select, nominate such individuals for directorship or make recommendations to the Board in respect thereof; and to assess the independence of independent non-executive Directors;
- (3) to specify the objectives of the nomination policies, to make recommendations to the Board as to the selection, appointment or re-appointment and succession planning for Directors (in particular the chairman of the Board and the president) and to formulate transparent and fair policies;
- (4) to evaluate the work and performances of the Directors, and make recommendations or proposals on the change of Directors based on the assessment result (if applicable);
- (5) to consider the diversity on the Board members in various aspects when determining the composition of the Board members, pursuant to which, selection of candidates for the Board shall be based on a range of diverse perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. On top of the above basis, in accordance with several objective conditions such as comprehensive values that the candidates can bring to the business and development of the Company, contributions, viewpoints, perspectives and independence that the candidates can provide to the Board whilst ensuring the diversity of the Board, decisions can be made thereafter;

- (6) to review the diversity policy of the Board, as appropriate; and to review the measurable objectives that the Board has set for implementing diversity policies on the Board, and the progress on achieving the objectives to ensure its effectiveness;
- (7) and to deal with other matters as authorised by the Board.

**Rule 9** The Committee shall be accountable to the Board, and proposals of the Committee shall be submitted to the Board for consideration and determination.

**Rule 10** The relevant departments of the Company have obligations to facilitate the works of the Committee and provide relevant materials as required. The Committee shall be provided with sufficient resources to discharge its duties.

#### **CHAPTER IV DECISION-MAKING PROCESS**

**Rule 11** The Committee shall study the selection criteria, selection process and term of office of the Directors in accordance with the provisions of pertinent laws and regulations and the Articles of Association, and taking into account the actual conditions of the Company, formulate resolutions and submit the same for Board approval and implement accordingly. In formulating the nomination policies, the Company shall consider the followings:

- (1) to specify the objectives of the nomination policies, which shall include the ones that ensure the Board members having the skills, experience and diverse viewpoints required by the business of the Company;
- (2) to emphasize the ultimate responsibility of the selection and appointment of Directors shall be taken by the Directors as a whole;
- (3) to set out the procedures for the selection, appointment and re-appointment of the Directors, the standard for selection of which shall include, but not limits to, taking into account the contributions the respective nominee can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;
- (4) to consider and approve the succession plans for the Board members and conducting reviews regularly;
- (5) the way the Company disclosing its nomination policies and how the disclosures of the progress of achieving the objectives set for implementing such policies are made periodically (e.g. making disclosures in the Corporate Governance Report); and
- (6) to monitor and review the formal procedure of the nomination policies and ensure the policies meet the Company's needs, while reflecting current regulatory requirements and good corporate governance practices.

**Rule 12** The selection process for the Directors shall be as follows:

- (1) the Committee shall proactively exchange views with relevant departments of the Company to study the need of the Company for new Directors, specify the selection criteria, including but not limited to, taking into consideration the qualifications, skills, perspectives, independence, gender diversity and experiences of the new Directors in accordance with the diversity policies, and formulate written materials;
- (2) the Committee may conduct extensive search for candidates for Directors among employees of the Company, its shareholders and in the open recruitment market;
- (3) information such as the profession, education, professional titles, detailed work experience and all part-time jobs of the preliminary candidates shall be collected, and written materials shall be formulated;
- (4) the nominee's consent to nomination shall be sought, failing which such nominee shall not be named as a candidate for Director;
- (5) a meeting of the Committee shall be convened, at which qualification-vetting of the preliminary candidates shall be carried out based on the terms of appointment for Directors;
- (6) the Committee shall submit its recommendations for candidates for Directors together with relevant materials to the Board one to two months prior to the election of new Directors; and
- (7) other subsequent tasks to be undertaken pending on the decision and feedback of the Board.

## **CHAPTER V RULES OF PROCEEDINGS**

**Rule 13** Meetings of the Committee are classified into regular and special meetings.

**Rule 14** Regular meetings of the Committee should be convened by the chairman of the Committee at least once a year. In case the chairman is unable to perform his duties, he should delegate another member of the Committee (an independent non-executive Director) to convene the meeting on his behalf.

A special meeting of the Committee should be convened when, under any of the following circumstances:

- (1) the Board puts forward such a proposal;
- (2) the chairman of the Committee puts forward such a proposal;

- (3) two or more members of the Committee put forward such a proposal;
- (4) the chairman of the Board puts forward such a proposal.

**Rule 15** All the members of the Committee shall be given a notice seven days prior to the meeting which is to be chaired by the chairman of the Committee. In case the chairman of the Committee is unable to attend the meeting, he may delegate another member (an independent non-executive Director) to chair the meeting on his behalf.

Special meetings of the Committee are not subject to such notice time restrictions.

**Rule 16** A Committee meeting shall only be held with more than two-thirds of the members attending; each member shall have one vote; resolutions of the meeting shall be adopted with more than half of the votes from the full Committee voting in favor.

**Rule 17** Voting at a Committee meeting shall be conducted by way of a show of hands or a poll. Voting at a special meeting may be conducted by way of communication devices. Where a member of the Committee delegates another member (an independent non-executive Director must delegate another independent non-executive Director) to attend the meeting and exercise voting rights on his behalf, he should submit a power of attorney to the chairman of the meeting. The power of attorney must be submitted to the chairman of the meeting before voting is conducted.

**Rule 18** The Committee may invite other Directors, supervisors, the president or other senior management members of the Company to attend the meeting as non-voting delegates when considered necessary.

The other senior management members mentioned herein refer to the vice president, the secretary to the Board and the person-in-charge of finance affairs of the Company.

**Rule 19** When necessary, the Committee may engage a relevant intermediary firm, at the cost of the Company, to furnish independent professional advice for its decision-making.

**Rule 20** The procedures of convening a Committee meeting, method of voting thereat and resolutions passed must be in accordance with provisions of pertinent laws, regulations, the Articles of Association and the Rules.

**Rule 21** Minutes of the Committee meetings shall be taken and the members attending the meeting shall sign on the minutes of the meetings; the meeting minutes shall be kept by the secretary of the Board for at least 10 years.

**Rule 22** Resolutions and results of voting passed in a Committee meeting shall be reported in writing to the Board.

**Rule 23** Members attending the Committee meeting shall have the obligation to keep confidential all the issues discussed therein and shall refrain from unauthorised disclosure of any information relating thereto (save as otherwise required in the pertinent laws, regulations and/or by the supervisory authorities).

## CHAPTER VI RULES OF ABSTENTION

**Rule 24** Where a member of the Committee or his immediate family member, or an enterprise controlled by a member of the Committee and his immediate family member is interested, directly or indirectly, in any issue discussed at the meeting, that member should disclose as early as practicable the nature and extent of his interest in the issues to the Committee.

**Rule 25** Under such circumstances as set forth above, the interested member shall give a detailed account of the relevant circumstances at the Committee meeting and state clearly that he will abstain from voting voluntarily. However, if the other members of the Committee consider that such interest will not have a significant impact on voting, the interested member may still participate in voting.

In case the Board considers it inappropriate for that interested member as mentioned in the previous article to participate in voting, it may revoke the voting results, and require the other members of the Committee to vote again on the relevant proposals.

**Rule 26** The Committee should review the proposals and come to resolutions without including the interested member in the quorum. In case of insufficient quorum present at the meeting of the Committee after withdrawal of the interested member, all the members (including the interested members) shall resolve on such procedural issues as such proposals being submitted to the Board for consideration.

**Rule 27** The minutes and resolutions of the Committee meetings shall specify the fact that the interested member has not been counted in the quorum and has not participated in voting.

## CHAPTER VII SUPPLEMENTAL RULES

**Rule 28** In the Rules, for the description of numbers, the term “above” refers to a set including the mentioned number, where “over” or “below” refers to a set excluding the mentioned number.

**Rule 29** The Rules are adopted by the Board, and come into effect from the date of adoption.

**Rule 30** Any matters not specified under the Rules shall be dealt with in accordance with the provisions of pertinent national laws, administrative regulations, regulatory documents, the Articles of Association and the Listing Rules. In case of any contradiction with the laws promulgated by the State in the future, administrative regulations, department rules, regulatory documents and any revised Articles of Association amended through legal procedures and the Listing Rules amended from time to time, such laws, administrative regulations, department rules, regulatory documents, the Articles of Association and the Listing Rules shall prevail, and the Rules shall be amended and submitted to the Board for consideration and approval in a timely manner.

**Rule 31** The Board reserves the right of interpretation of the Rules.