



SHENWAN HONGYUAN (H.K.) LIMITED

申萬宏源（香港）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 218)

DIRECTOR NOMINATION POLICY

Policy Statement

1. The Nomination Committee identifies suitable candidates and makes recommendations to the board of directors (the “Board”) of Shenwan Hongyuan (H.K.) Limited (the “Company”) on the appointment or re-appointment of directors and succession planning of directors, in particular the chairman and the chief executive.
2. The Nomination Policy (the “Policy”) sets out the key selection criteria and procedures of the Nomination Committee in making any such recommendations with a view to ensure that the Board maintains a balance of skills, experience and diversity of perspective appropriate to the requirement of the Company’s business.
3. In identifying suitable candidates, the Nomination Committee shall give adequate consideration of the diversity perspectives set out in the Board Diversity Policy of the Company.

Selection Criteria

4. In assessing the suitability of a proposed candidate, the Nomination Committee shall consider a number of factors including but not limited to the following:
 - (a) The proposed candidate should be a person of integrity, honesty and with a standard of competence commensurate with the relevant position as a director of the Company;
 - (b) The potential contribution the proposed candidate can bring to the Board in terms of qualifications, skills, experience and diversity of perspective appropriate to the requirements of the Company’s business;
 - (c) Succession planning or strategies for the ongoing effective performance of the Board as a whole;
 - (d) Diversity perspectives set out in the Board Diversity Policy of the Company, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service;

- (e) The proposed candidate or the re-elected Director is able to commit and devote sufficient time and attention to the Company's affairs. In particular, if the proposed candidate will be nominated as an independent non-executive director ("INED") and will be holding his seventh (or more) listed company directorship, the Nomination Committee should consider the reason given by the proposed candidate for being able to devote sufficient time to the Board;
- (f) Compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment of an INED; and
- (g) Any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person as it considers appropriate.

- 5. The appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board shall be made in accordance with the Company's New Articles of Association, applicable laws and other regulatory requirements.

Nomination Procedures

- 6. Appointment of New or Replacement Director
 - (a) The Nomination Committee identifies proposed candidate(s) in accordance with the selection criteria set out in the Policy.
 - (b) The proposed candidate will be requested to provide the biographical details and details of the relationship between the proposed candidate and the Company and/or Directors, directorships held, skills and experience, other positions which involve significant time commitment and any other additional information and documents if considered necessary.
 - (c) The Nomination Committee evaluates the proposed candidate(s) and recommends to the Board the appointment of the appropriate candidate for directorship.
 - (d) The Board decides the appointment based upon the recommendation of the Nomination Committee.
- 7. Re-election of Director at General Meeting
 - (a) The Nomination Committee reviews and determines whether the retiring Director continues to meet the selection criteria set out in the Policy.
 - (b) The Nomination Committee shall recommend to the Board which shall then make recommendation to shareholders in respect of the proposed re-election of Director at the general meeting.
- 8. Nomination by Shareholders
 - (a) Please refer to "The procedures for shareholders to propose a person for election as a director" for details which is available on the Company's website.

Monitoring and Reviewing of the Policy

9. The Nomination Committee will review the implementation of Policy, as appropriate, including the mechanisms for ensuring independent views and input are available to the Board, to ensure its continued effectiveness. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for adoption.

Disclosure of the Policy

10. The Policy or a summary of the Policy will be disclosed in the Corporate Governance Report contained in the Annual Report of the Company.

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