



**Power Assets Holdings Ltd.**  
**電能實業有限公司**

於香港註冊成立的有限公司  
Incorporated in Hong Kong with limited liability  
股份代號 Stock Code: 6

## **DIRECTOR NOMINATION POLICY**

### **A. OBJECTIVE**

1.1 This Policy sets out the approach and procedures the board of Power Assets Holdings Limited (the “Company”) (the “Board”) adopts for the nomination and selection of directors of the Company (the “Directors”), including the appointment of additional Directors, replacement of Directors, and re-election of Directors.

### **B. POLICY STATEMENT**

2.1 The Company recognises the importance of having a qualified and competent Board to achieve the Group corporate strategy as well as promote shareholder value.

2.2 The Company believes that a Board that possesses a balance of skill set, experience, expertise and diversity of perspectives enhances decision-making capability and the overall effectiveness of the Board. The Board is committed to ensuring that proper nomination and election processes are in place for the selection and nomination of Directors.

2.3 The Board is of the view that the ultimate responsibility for the selection, nomination and appointment of Directors rests with the Board as a whole. Hence, the Nomination Committee of the Company (the “Nomination Committee”) comprises all Directors and is chaired by the Chairman of the Board.

2.4 When the need to select, nominate or re-elect Directors arises, the Nomination Committee will, as it considers appropriate and having regard to the expertise and skill set required for the new or replacement Director, appoint members of the Board with relevant expertise to form a sub-committee (the “Sub-Committee”) on an ad hoc basis, to facilitate the Nomination Committee in the conduct of the selection and nomination process on a case-by-case basis.

2.5 The Sub-Committee, chaired by the Chairman of the Board will comprise members in compliance with the requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

2.6 Throughout the determination process, the Sub-Committee will provide updated information and status of progress to the Nomination Committee/Board as and when appropriate.

## C. SELECTION CRITERIA

3.1 In the determination of the suitability of a candidate, the Sub-Committee shall consider the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, independence, age, culture, ethnicity and gender diversity. The Sub-Committee shall consider the following selection criteria and such other factors that it may consider appropriate for a position on the Board:

- (i) **Attributes Complementary to the Board:** The candidate should possess attributes that complement and expand the skill set, experience and expertise of the Board as a whole, having regard to the current structure, size, diversity profile and skills matrix of the Board and the needs of the Board.
- (ii) **Business Experience & Board Expertise and Skills:** The candidate should have the ability to exercise sound business judgment and also possess proven achievement and experience in directorship including effective oversight of and guidance to management.
- (iii) **Availability:** The candidate should have sufficient time for the proper discharge of the duties of a Director, including devoting adequate time for the preparation and participation in meetings, training and other Board or Company associated activities.
- (iv) **Motivation:** The candidate should be self-motivated and have a strong interest in the Company's businesses.
- (v) **Integrity:** The candidate should be a person of integrity, honesty, good reputation and high professional standing.
- (vi) **Independence:** Independent non-executive director ("INED") candidates must satisfy the independence requirements under the Listing Rules. The INED candidate shall be independent in character and judgment and be able to represent and act in the best interests of all shareholders of the Company.

The above criteria are for reference only and are not meant to be exhaustive or decisive. The Board shall take into consideration the benefits of a diversified Board when selecting Board candidates.

## D. NOMINATION PROCEDURES

### 4.1 Appointment of New and Replacement Directors

- (i) If the Board determines that an additional or replacement Director is required, it will deploy multiple channels for identifying suitable director candidates, including referral from Directors, shareholders, management, advisors of the Company and external executive search firms.
- (ii) Upon compilation and interview of the list of potential candidates, the relevant Sub-Committee will shortlist candidates for consideration by the Nomination Committee/Board based on the selection criteria and such other factors that it

considers appropriate. The Board has the final authority on determining suitable director candidate for appointment.

#### **4.2 Re-election of Directors and Nomination from Shareholders**

- (i) Where a retiring Director, being eligible, offers himself for re-election, the Board shall consider and, if consider appropriate, recommend such retiring Director to stand for re-election at a general meeting. A circular containing the requisite information on such retiring Director will be sent to shareholders prior to a general meeting in accordance with the Listing Rules.
- (ii) Any shareholder of the Company who wishes to nominate a person to stand for election as a Director at a general meeting must lodge with the Company Secretary of the Company within the lodgment period specified in the relevant shareholder circular (a) a written nomination of the candidate, (b) written confirmation from such nominated candidate of his willingness to stand for election, and (c) biographical details of such nominated candidate as required under Rule 13.51(2) of the Listing Rules. Particulars of the candidate so proposed will be sent to all shareholders for information by a supplementary circular.

#### **E. REVIEW AND MONITORING**

- 5.1 The Board will from time to time review this Policy and monitor its implementation to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practice.

#### **F. DISCLOSURE AND PUBLICATION**

- 6.1 This Policy is available on the Company's website for public information.
- 6.2 A summary of this Policy, and the progress on achieving the objectives set in this Policy, will be disclosed in the Corporate Governance Report of the Company annually.

*January 2019*